

SCIENCE TODAY.
BETTER HEALTH TOMORROW.
EVERY CHILD. EVERYWHERE.



SCIENCE LED
INNOVATION



TRUSTED
QUALITY



IMPACTING MILLIONS
OF YOUNG LIVES



GLOBAL REACH
LOCAL COMMITMENT

ANNUAL REPORT
2025-26

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Safe Harbour Statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about Company's future growth drivers, product development, market position and expenditures are forward looking statements. Forward looking statements are based on certain assumptions and expectations for future events. The Company may not guarantee that these assumptions and expectations are accurate and will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend, modify, revise any forward-looking statements, on the basis of any subsequent developments, information and events.

Corporate Information

Board of Directors

Executive Directors:

Dr. Rajesh Jain – Chairman and Managing Director
Mr. Sandeep Jain - Joint Managing Director
Mr. Ankesh Jain – Whole-time Director
Mr. Harshet Jain – Whole-time Director
Dr. Sanjay Trehan - Director Technical & Compliances

Independent Directors:

Mrs. Ambika Sharma
Mr. Krishan Kumar Jalan
Dr. Rajender Pal Singh
Mr. Rajinder Singh Manku
Dr. Venkatesh Sarvasiddhi

Chief Financial Officer

Mr. Vinod Goel - Group CFO and Head Legal & Corporate Governance

Company Secretary

Mr. Ankit Jain - General Manager Legal & Company Secretary

Registered Office

Ambala-Chandigarh Highway,
Lalru - 140501, Punjab, India

Corporate Offices

- B-1 Extn./A-27, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110044, India
- B-1 Extn./G-3, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110044, India

Manufacturing Facilities

- Malpur, Baddi, Dist. Solan, Himachal Pradesh - 173205, India
- Ambala - Chandigarh Highway, Lalru - 140501, Punjab, India

R&D Centres

- B-1 Extn./A-24-25, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110044, India
- Ambala - Chandigarh Highway, Lalru - 140501, Punjab, India

Statutory Auditors

M/s Suresh Surana & Associates LLP
Chartered Accountants, Noida, India

Secretarial Auditors

M/s R&D Company Secretaries, Delhi, India

Cost Auditors

M/s Jain Sharma & Associates, Cost Accountants, Delhi, India

Registrar & Transfer Agent

M/s Skyline Financial Services Private Limited
D-153 A, 1st Floor, Okhla Indl. Area, Phase-I,
New Delhi - 110020, India

Banks

- Axis Bank Limited
- ICICI Bank Limited
- IDBI Bank Limited
- Kotak Mahindra Bank Limited
- State Bank of India

www.panaceabiotec.com
CIN: L33117PB1984PLC022350
Email: corporate@panaceabiotec.com

Information as on August 13, 2026

Board Composition



Dr. Rajesh Jain
Chairman and Managing Director
DIN: 00013053



Mr. Sandeep Jain
Joint Managing Director
DIN: 00012973



Mr. Ankesh Jain
Whole-time Director
DIN: 03556647



Mr. Harshet Jain
Whole-time Director
DIN: 08732974



Dr. Sanjay Trehan
Director Technical
& Compliances
DIN: 10936402



Mrs. Ambika Sharma
Independent Director
DIN: 08201798



Mr. Krishan Kumar Jalan
Independent Director
DIN: 01767702



Dr. Rajender Pal Singh
Independent Director
DIN: 10198810



Mr. Rajinder Singh Manku
Independent Director
DIN: 09706881



Dr. Venkatesh Sarvasiddhi
Independent Director
DIN: 09326552

As on August 13, 2026

Mission

Innovation
in Support
of Life

Vision

Enabling People
to Live Well
and Live Longer

Goal

To meet Every
Healthcare Need
with a
Panacea Biotec
Brand or Service

Objective

Take Ideas from
Grey Cell to
the market in a
Proactive Manner

Our Values

Innovation

- ✦ A 'way of life' in every activity
- ✦ To challenge every process and solution to discover ways to make them better

Integrity

- ✦ Unwavering commitment to doing what is right, consistently, transparently, and responsibly even when no one is watching.

Pioneer

- ✦ Be the first mover in the market
- ✦ Empowering people to speed up the organisation growth
- ✦ Always embracing new technology and processes
- ✦ Learning and improving

Humane

- ✦ Care for individuals and environment
- ✦ Humility to respect all individuals
- ✦ Placing betterment of people at the core of each activity

Panacea Biotech at a Glance

Live Well and Live Longer

10.5 billion+	Polio immunisations in developing countries
210 million+	Immunisation by innovative fully-liquid combination vaccines
36 million+	Patients treated by Gastro intestinal diseases including Piles / Haemorrhoids etc.
33 million+	Patients being treated by Diabetes franchise
6.4 million+	Patients treated by Organ transplantation franchise
400,000+	Patients treated by Oncology franchise

Panacea Biotech brands are used in over 89+ countries



Areas of research



Drug delivery & Complex generics

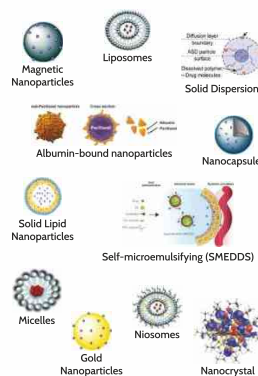


NCE



Vaccine research

Drug Delivery System



Research

- ✓ 1 NCE commercialised
- ✓ Adjuvants (1 commercialised, 1 in Phase III)



Development

- ✓ 110+ Phase-III trials
- ✓ 70+ BA/BE studies



Manufacturing & QMS

- ✓ Harmonised QMS for global compliance
- ✓ Over 50 audits from global stringent regulatory bodies such as US FDA, EMA, WHO PQ, ANVISA, Australia TGA etc.

New and Exciting

NikoMom
Baby Care Expert

DAILY LOTION | MASSAGE OIL | HEAD TO TOE WASH | DIAPER RASH CREAM

Staar Prime

Infant Formula Stage 1
From Birth to 6 Months

Follow-up Formula Stages 2-3-4
From 6 to 24 Months

Sitcom Tablets
Euphorbia Prostrata Extract Tablets 100mg

Sitcom Cream
Euphorbia Prostrata Dry Extract Ethanol 80% (v/v) [(35-70):1] Cream 1% w/w 10mg

EasySix
(DTwP-Hib-B-Hib-IPV)
Complete Sustainable Protection

EasyFourPol
(DTwP-Hib-IPV)

Easyfive-TT
(DTwP-Hib-Hib)
Trusted Effective Protection

Easyfour-TT
(DTwP-Hib)
Protection Made Easy

BIVALENT POLIOVIRUS VACCINE
TYPE 1 & TYPE 3, LIVE (ORAL)
Bi-OPV
Trusted Safe Protection

Pipeline



DengiAll
Live, attenuated chimeric recombinant tetravalent candidate vaccine



NuCoVac 11
Pneumococcal polysaccharide conjugate vaccine containing serotype with ≥70% IPD coverage

Complex Delivery Systems

Precisely (Protein-coated nano particles) for 100mg
PacliALL
Nanoparticle

PanGraf
Solid Dispersion

GLIZID-MR
Modified Release

GLIZID
Micronized Technology

Panimun Bioral
Micro Emulsion

LIVOLUK FIBRE
Synergistic Combination

Nimulid-MD
Mouth Dissolving

Nimulid TransGel
Transdermal Delivery

Manufacturing facilities



Drug Substance Facility, Lalru, Punjab

Biologicals
State-of-the-art cGMP-compliant Vaccine Manufacturing Facilities



Pharmaceutical Facility, Baddi, Himachal Pradesh

Pharmaceuticals
State-of-the-art cGMP-compliant Pharmaceutical Manufacturing Facilities



Drug Product Facility, Baddi, Himachal Pradesh

- WHO PQ
- Indian NRA - CDSCO



Oncology Facility, Baddi, Himachal Pradesh

- US FDA, Saudi Arabia FDA, ANVISA, WHO-GMP certifications for Pharmaceutical facility
- US FDA, Health Canada, Saudi Arabia FDA, WHO-GMP certifications for Oncology facility



Nutrition
cGMP compliant Nutrition product Manufacturing Facility



- Hygienic Zoning to prevent contamination
- Allergen Labelling and Management
- FDA, FSSAI / BIS / ISO 17025 approved

Key Strengths



A leading biotechnology company with over three decades of expertise in the research, development, manufacturing, and commercialisation of vaccines and pharmaceuticals.



Fully integrated from Lab to Market



Robust product pipeline of novel vaccines and complex generic products to fuel long-term growth



State-of-the-art manufacturing facilities - cGMP compliant and qualified by global regulatory authorities including US FDA, WHO PQ, ANVISA, Health Canada, Saudi Arabia FDA, etc.



Global footprint - exports to over 50 countries



Strong promoter group supported by experienced and qualified management team

Introducing NikoMom Skin Care

A fresh start routine to
cleanse, soothe and protect
baby's delicate skin.

NikoMom®
Baby Care Expert

Gentle care
from Day 1



1

Baby Massage Oil
Nourishes Skin



2

Baby Head to Toe Wash
Gently Cleanses Sweat
& Dust



3

Baby Daily Lotion
Moisturises &
Hydrates the Skin



4

Baby Diaper Rash Cream
Protects the Diaper Area



5

Baby Diaper Pants
All-day Diaper Comfort



Hypoallergenic | Dermatologically Tested | Safe for Sensitive Skin

7N Panacea Biotech

BEST IN GOODNESS

Introducing

Staart[®] Prime

**Infant Formula
Stage 1**



**Follow-up Formula
Stages 2-3-4**



EDUCATIONAL INFORMATION FOR HEALTHCARE PROFESSIONALS ONLY

IMPORTANT NOTICE: MOTHER'S MILK IS BEST FOR YOUR BABY
महत्वपूर्ण सूचना: माँ का दूध आपके बच्चे के लिए सर्वोत्तम है



Highlights of the Year



Reached over **50 Million**
babies in last three years
in LMICs*



Launched **48** new products
across therapeutic areas
internationally



212 tCo₂
Emission Avoided



78.85 Metric tonnes
Waste Managed



60 Metric tonnes
Plastic Recycled



74 Metric tonnes
Plastic Eliminated



1403 litres
Oil Recycled



52.91 Million litres
Water Treated & Reused

*Lower & Middle Income Countries

Financial Highlights

Particulars	2025-26*		2024-25*	2023-24*	2022-23*	2021-22*	2020-21**	2019-20**	2018-19*	2017-18*	2016-17*
	(₹ in million)	US\$ million**	(₹ in million)								
Consolidated Financial Performance Summary											
Revenue from operations	6,397.74	68.07	5,590.94	5,591.68	4,599.46	6,612.32	6,248.05	5,440.62	4,566.96	5,961.61	5,579.51
Total Income	6,566.74	69.87	5,797.54	5,849.64	5,116.09	6,722.01	6,347.82	5,737.49	4,611.79	6,043.94	6,045.46
EBITDA	(46.60)	(0.50)	(259.12)	(200.61)	(979.59)	(132.03)	766.29	313.59	(1,311.94)	847.40	626.90
PBT^	(73.69)	(0.78)	(79.48)	14.77	128.05	14,493.56	(1,450.30)	(1,773.44)	462.25	(661.39)	(671.80)
PAT^	(71.63)	(0.76)	(87.19)	(15.05)	(337.45)	10,783.34	(1,476.58)	(1,942.96)	376.67	(759.97)	(562.00)
Equity Share Capital	61.25	0.65	61.25	61.25	61.25	61.25	61.25	61.25	61.25	61.25	61.25
Reserves & Surplus / Other Equity	8287.10	88.17	8,286.61	8,359.21	8,374.78	8,705.11	(2,348.18)	1,926.62	3,442.72	3,025.60	3,495.50
Shareholders' Funds	8,348.35	88.82	8,347.86	8,420.46	8,436.03	8,766.36	(2,286.93)	1,987.87	3,503.97	3,086.85	3,556.75
Total Liabilities	12,621.77	134.29	12,897.46	12,408.21	12,711.66	17,588.69	11,775.32	13,903.00	13,755.20	16,075.56	18,001.38
Net Fixed Assets	7,196.28	76.56	6,949.63	6,833.47	6,482.76	6,793.24	6,798.61	7,996.01	8,819.76	9,880.00	10,308.84
Total Assets	12,621.77	134.29	12,897.46	12,408.21	12,711.66	17,588.69	11,775.32	13,903.00	13,755.20	16,075.56	18,001.38
Key Performance Indicators											
Profitability Ratios											
EBITDA Margin (%)	(0.73)	(0.73)	(4.63)	(3.59)	(21.30)	(2.10)	12.26	5.76	(28.73)	14.21	11.24
PBT Margin (%)^	(1.15)	(1.15)	(1.42)	0.26	2.78	219.19	(23.21)	(32.60)	10.12	(11.09)	(12.04)
PAT Margin (%)^	(1.12)	(1.12)	(1.56)	(0.27)	(7.34)	163.08	(23.63)	(35.71)	8.25	(12.75)	(10.07)
Shareholders Related Ratios											
EPS (Basic & Diluted)*** (in ₹)	(0.88)	(0.01)	(1.37)	(0.19)	(5.43)	176.05	(24.11)	(31.72)	6.15	(12.42)	(9.18)

* Figures are as per Indian Accounting Standard (Ind AS)

include figures for the discontinued operations

** 1 USD = ₹93.99 as on 31.03.2026

*** Per Equity Share of ₹1 each

[^] after exceptional items

Note: Figures in brackets are negative numbers

Message from Chairman and Managing Director



Dear Stakeholders,

The year marked continued progress in strengthening our vaccines business, expanding our international pharmaceutical presence and advancing an innovation pipeline focussed on some of the world's important healthcare needs. Guided by our purpose of delivering affordable and innovative healthcare solutions, we continue to combine scientific capability with global reach to create sustainable value for patients, partners and shareholders.

In our continuous pursuit of a healthier tomorrow, we are steadfast in our mission to nourish lives through ground-breaking innovations. As a pioneer in vaccines and advanced therapeutics, we leverage innovative research and development to address global healthcare challenges.

Financial Year 2025–26 unfolded against a dynamic global healthcare environment, shaped by evolving public-health priorities, geopolitical uncertainties and an increasing emphasis on resilient healthcare supply chains. Against this backdrop, we remained focussed on strengthening our core businesses while investing in capabilities and innovation that can support Panacea Biotec's next phase of growth.

Financial & Operational Performance: During 2025–26, we demonstrated continued progress across its businesses. Consolidated revenues stood at ₹6,397.74 million, with vaccines contributing ~64.6%, and the balance from pharmaceuticals, nutrition, and allied businesses. The revenues from our vaccines business were ₹4,102.56 million. The revenue from export of vaccines has increased to ₹2,771.75 million. Our pharmaceutical and nutrition business continued to strengthen its performance, supported by international expansion, domestic operations and contract manufacturing.

Exports remained a significant growth driver, our vaccines reached over 37 countries across Africa, Asia and Latin America, while pharmaceuticals products were shipped to over 40 markets, including the US, Canada, Europe, and emerging regions.

Vaccines:

Growth Drivers & Major Achievements

- **Strengthening Our Vaccine Franchise:** We continued to strengthen our paediatric immunization with our flagship brands like EasySix®, EasyFourPol®, Easyfive-TT® and Bi-OPV®. EasySix® continues to maintain a strong presence in the Indian market, while we are progressively expanding its international footprint across multiple geographies through registrations and partnerships.
- **Environmental & Cost Sustainability:** Our combination vaccines, led by EasySix® and EasyFourPol®, support more efficient and sustainable immunization delivery. Based on the Company's assessment, for every 30 million doses, EasySix® can reduce associated CO₂ emissions by approximately 60% compared with a separate vaccination schedule (6.77 million kg vs. 16.93 million kg CO₂) apart from reducing the use of packaging materials such as paper and glass and lowering biomedical waste.
- **Global Polio Eradication:** As a pivotal partner in global polio eradication, we remain a primary supplier of oral polio vaccines to UNICEF, the Government of India, and developing nations. Over the past two decades, we have delivered more than 10.5 billion polio vaccine doses.
- **Awards for supply:** During the year under review, your Company has received awards from UNICEF, CMSS and PAHO

for the supply of Bi-OPV[®] vaccine and Easyfive-TT[®] vaccines in the upcoming calendar years.

- **Global Recognition & Alliances:** We listed one of our adjuvants, EmulsiPan in the Coalition for Epidemic Preparedness Innovations (CEPI) Library of adjuvants to support the scientific community in advancing vaccine and biotherapeutic development.

Innovation Pipeline & Strategic R&D: Our innovation pipeline continued to advance during the year.

- **DengiAll[®]:** Phase III clinical trials of DengiAll[®], India's first tetravalent dengue vaccine, in collaboration with Indian Council of Medical Research (ICMR) is ongoing. The vaccine is expected to be launched by 2027-28 post completion of the clinical trial and subject to receipt of necessary regulatory approvals.
- **Launch of the DENSTAR Project:** In June 2026, collaborative research project 'DENSTAR' was launched in Africa which will inter-alia, work to advance the licensure of the dengue vaccine, DengiAll[®], in sub-Saharan Africa (sSA) and to facilitate its broader global use.
- **NuCoVac[®]-11:** The Phase III clinical trial of NuCoVac[®]-11, the Company's 11-valent pneumococcal conjugate vaccine candidate, has been completed in India. NuCoVac[®]-11 is positioned to target ~₹20,000 million annual pneumococcal vaccine market in India, subject to receipt of necessary regulatory approvals.
- **TedShot[®] & Next-Gen Pipeline:** We are preparing to launch the TedShot[®] (Tetanus and Diphtheria reduced) vaccine in India after obtaining marketing authorisation. Jointly with BRIC-THSTI, we are developing VaxiPox[™] (a multi-epitope recombinant mpox vaccine candidate), designed against highly conserved antigens across mpox, and a recombinant, nanoparticle broadly protective Beta-coronavirus candidate vaccine.

Global Expansion: As part of our strategy to expand into the international private vaccine market, we have already registered our vaccines in 17 countries. This includes registration with African Medicines Regulatory Harmonization (AMRH), which will pave the way for launches across roughly ~32 African regions that have ratified the African Medicines Agency (AMA) Treaty. Additionally, the product registration in another 17 countries is in progress. Besides supplying Easyfive-TT[®], EasySix[®] and Bi-OPV[®], we will also be seeking WHO pre-qualification of our pipeline products for supply to UN agencies and other national Governments.

Pharmaceuticals:

Expanding Our Global Footprint: Our wholly owned material subsidiary, Panacea Biotec Pharma Limited (PBPL) continued to strengthen its international presence during the year, with pharmaceutical products reaching approximately 40 countries across regulated and emerging markets. We are further expanding our footprints with entry into new markets including Algeria, Egypt, Libya, Oman, Qatar and South Africa, while building a strong regulatory pipeline to support future growth. PBPL currently has 386 active registrations across ROW markets, with 36 dossiers under review and a further 68 dossiers planned for filing in FY2026-27. Consolidated revenues from the pharmaceuticals and nutrition businesses stood at ₹2,295 million, including ₹1,791 million from pharmaceutical exports, reflecting the growing importance of our international business.

Nutrition & Baby Care Business:

Building on our heritage in paediatric healthcare, we continued to expand our consumer healthcare portfolio through NikoMom[®], Staart[®] Prime and ChilRun[®], spanning baby care and nutrition. We are strengthening consumer access through an

integrated physical and digital distribution model, including 7NShop.com and leading e-commerce platforms. Supported by 1,800+ distributors, our products are now available across more than 30,000 retail outlets, providing a strong foundation for further growth of our consumer healthcare business.

Innovations with a Human Touch: Our innovations go beyond science - they simplify healthcare delivery, reduce costs, and improve sustainability. For instance, combination vaccines have helped reduce carbon emissions and biological waste by over 50%, while easing immunization schedules for families and governments alike.

Quality & Regulatory Excellence: Quality remains fundamental to our science and operations. During the year, our facilities successfully underwent multiple regulatory audits, reinforcing our continued focus on compliance, product quality and patient safety.

Human Engagement – Our Strongest Pillar: At Panacea Biotec, our people are our greatest competitive advantage. With over 2,300 employees, including ~75 R&D scientists, we continue to invest in capability building, leadership development and an inclusive workplace through initiatives such as Pravesh and Unnati.

We are proud of fostering a workplace built on empathy, inclusivity and diversity. Women now represent ~11.3% of our workforce, up from 9.2% last year, with focussed initiatives to support women across functions. We are also fostering a culture of ownership, collaboration and accountability, supported by employee-led autonomous teams and self-nominated CAPTAINS, with quality and patient safety remaining at the heart of everything we do.

Digital Initiatives: Digital Transformation: We continued to digitise key processes across the organisation, including implementation of ValGenesis for digital validation lifecycle management, enhancement of our internally developed NIKHAAR sales analytics platform, and continued use of Darwinbox for human-resource management.

The Road Ahead – Panacea Biotec 2.0

As we look ahead, Panacea Biotec 2.0 represents our ambition to build a stronger, innovation-led and globally relevant healthcare organisation. Our priorities are clear: expanding our global vaccine leadership through DengiAll[®] and NuCoVac-11[®]; growing our pharmaceutical presence across regulated and emerging markets; scaling our consumer healthcare portfolio; and embedding sustainability across research, manufacturing and supply.

Our strengths in R&D, regulatory capabilities, manufacturing, supply chain and trusted partnerships provide a strong foundation for this next phase of growth. We remain committed to delivering affordable and innovative healthcare solutions while contributing meaningfully to global public health.

As we move forward, I extend my sincere gratitude to our shareholders, Board of Directors, employees, customers, partners, suppliers, governments and global health institutions for their continued trust and support. Together, we remain committed to building an organisation where science serves with purpose, innovation improves lives and growth respects the planet.

I look forward to welcoming you to the forthcoming Annual General Meeting of the Company scheduled to be held on September 29, 2026, through video conferencing and to sharing our progress and future priorities with you.

With warm regards,

Dr. Rajesh Jain, Ph.D.

Chairman and Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

GLOBAL VACCINE MARKET

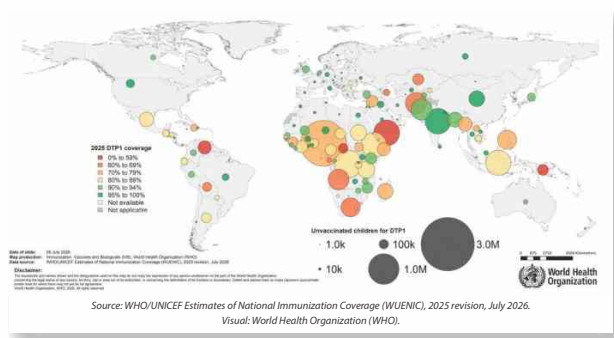
Vaccines Market Overview

The global vaccine industry continued to evolve during financial year 2025–26, supported by the expansion of routine immunization programmes, increased focus on life-course vaccination, growing investments in regional manufacturing, and continued development of vaccines against endemic, epidemic, and pandemic-prone diseases. The World Health Organization (WHO) Immunization Agenda 2030 and Gavi's 2026–2030 strategy continue to provide the principal global frameworks for improving equitable access to vaccines, strengthening immunization systems, and supporting sustainable vaccine markets.

Vaccination remains one of the most effective public-health interventions. During the period of ~50 years since the launch of the Expanded Programme on Immunization, vaccines have contributed to saving more than 150 million lives and accounted for ~40% of the global reduction in infant mortality.

According to the latest WHO–UNICEF Estimates of National Immunization Coverage (WUENIC), 90% of infants globally, or nearly 116 million, received at least one dose of a diphtheria, tetanus and pertussis (DTP) vaccine in 2025, while 85%, or nearly 110 million, completed the full three-dose series. However, an estimated 13.5 million “zero-dose” children did not receive a single vaccine in their first year during 2025¹.

The global vaccine market continues to be shaped by the need to protect unvaccinated and under-vaccinated populations, introduce vaccines against additional diseases, strengthen supply security and expand immunization beyond infancy. Gavi's 2026–2030 strategy is expected to support the vaccination of more than 500 million additional children and adolescents while expanding access to vaccines against more than 20 diseases, including several climate-sensitive diseases such as dengue².



Demand growth is expected across paediatric combination vaccines, HPV vaccines, pneumococcal conjugate vaccines, dengue vaccines, malaria vaccines and vaccines used for outbreak preparedness and response. Adult, adolescent and

maternal immunization are also becoming increasingly relevant components of national vaccination strategies.

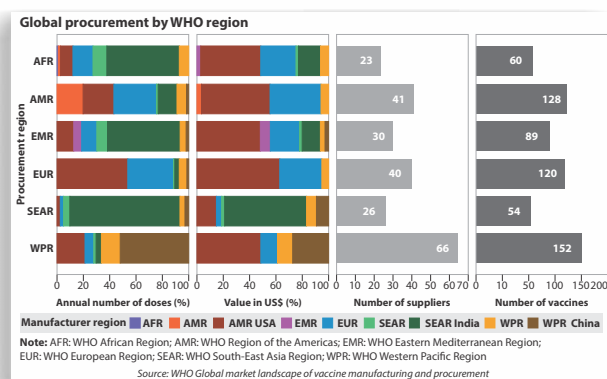
Vaccines Market Dynamics

The global vaccine market remains concentrated, with a limited number of manufacturers accounting for a substantial share of vaccine volumes and financial value. Vaccine production capacity also remains geographically uneven, with several countries in the African and Eastern Mediterranean regions continuing to depend substantially on vaccines manufactured outside their respective regions. Consequently, regional manufacturing, technology transfer, regulatory capacity development and predictable procurement have become important components of global vaccine-security strategies. The African Vaccine Manufacturing Accelerator (AVMA) was launched in June 2024 as a ten-year financing mechanism to support commercially sustainable vaccine manufacturing in Africa. AVMA was established as a US\$ 1 billion pull-financing instrument, providing milestone and accelerator payments to eligible manufacturers³.

AVMA aims to support the procurement of at least 800 million vaccine doses manufactured in Africa by 2035, across at least four manufacturers using three different technology platforms. Its long-term impact will depend upon African manufacturers successfully achieving regulatory approvals, WHO prequalification where applicable, competitive manufacturing economics and access to predictable procurement opportunities.

Beyond Africa, countries and regions are strengthening domestic and regional vaccine-manufacturing capabilities to improve supply resilience, diversify sourcing and reduce dependence on imported products. These initiatives may create opportunities for manufacturing partnerships, technology collaborations, contract development and manufacturing arrangements and regional product registrations.

South-East Asia continues to account for the largest share of global vaccine volumes, while North America remains the highest-value market owing to premium-priced vaccines.



¹WHO–UNICEF Estimates of National Immunization Coverage (WUENIC), 2025 revision, July 2026

²Gavi, the Vaccine Alliance, Gavi 6.0 Strategy (2026–2030)

³Gavi, African Vaccine Manufacturing Accelerator (AVMA); WHO Global Vaccine Market Report 2024

Middle-income countries represent the largest demand segment by volume and continue to drive long-term growth through expanding national immunization programmes.

Future growth in the vaccine market is expected to be supported by efforts to improve routine immunization coverage, reach zero-dose and under-vaccinated populations, introduce vaccines against additional diseases and extend vaccination to adolescents, adults, pregnant women and other priority populations. The WHO Immunization Agenda 2030 provides the overarching global framework for maximizing the benefits of vaccines, while Gavi's 2026-2030 strategy focuses on introducing and scaling up vaccines, strengthening health systems, improving programme sustainability and supporting healthy vaccine markets.

Under Gavi 6.0, priority areas include reaching zero-dose children and missing communities, strengthening regional vaccine supply security, increasing domestic ownership of immunization programmes, and supporting vaccines against endemic, epidemic, and pandemic-prone diseases. Gavi's 2024 Vaccine Investment Strategy includes future programmes or learning agendas for tuberculosis, Group B streptococcus, dengue, mpox, and Hepatitis E⁴.

Restraints

Low purchasing power in developing countries: The traditional six vaccines under the Expanded Programme on Immunization (EPI), viz. measles, diphtheria, pertussis, tetanus, oral polio, and Bacille Calmette-Guérin (BCG – vaccine for tuberculosis disease), are mature products and offered as combination vaccines. High fixed costs and a steep learning curve make new vaccines relatively expensive, as the investments in R&D and production facilities need to be recovered and production techniques need to be optimized and perfected to bring down variable production costs.

Non-market activities undertaken by international organisations without competitive process may discourage private investments in development of vaccines as it creates unreal pricing pressures for manufacturers trying to enter the market without such extramural funding (like grants, etc.), creating barriers to entry, and uncertainty regarding commercial viability. These market and non-market factors together continue to threaten the business case of developing novel vaccines that are or could potentially be included in the priority pathogen list.

Opportunities

- **Growing Global Demand:** Increased awareness of the importance of vaccination can expand market opportunities.
- **Technological Advancements:** Innovations like mRNA technology can lead to development of more effective vaccines.
- **Combination vaccines:** Potential value of a combination vaccine versus co-administration of separate antigens.
- **Partnership and Collaborations:** Collaborating with governments, NGOs and other pharma companies to enhance reach and resources.

- **Public Health Initiatives:** Leveraging global health campaigns to promote vaccination programs.

Value of Combination Vaccines

Panacea Biotec has focused on development of fully-liquid combination vaccines like Pentavalent (DTwP-HepB-Hib) & (DTwP-HepB-IPV) and Hexavalent (DTwP-HepB-Hib-IPV). In this endeavour, the Company had the opportunity to change the global paediatric immunization program twice with the launch of Easyfive-TT® in 2005 and EasySix® in 2017.

Market generation activities undertaken by international organisations continue to increase the number of vaccines being covered by the National Immunization Programs and more countries are rolling out the WHO's recommended schedule for vaccination either through self-funded or donor-funded programs. Vaccines targeting priority pathogens continue to provide large-scale opportunities for expansion as each such vaccine chosen can immediately reach more than 100 million babies born every year.

International immunization agencies continue to support the introduction of vaccines that can improve coverage, simplify delivery and strengthen programme efficiency. Gavi's 2026-2030 strategy includes a specific objective to introduce and scale up vaccines while maintaining healthy, sustainable markets and improving regional supply security. The transition from separate pentavalent and IPV administration to hexavalent vaccination represents an important potential evolution in paediatric immunization programmes. The timing and scale of this transition will depend upon country decisions, product availability, affordability, financing, regulatory approvals and readiness of national immunization systems.

The latest Gavi's 73 Supported Countries demand scenarios indicate that hexavalent demand may increase from ~18 million doses in 2026 to 74 - 125 million doses in 2030, depending upon the pace of transition. By 2035, demand under the two scenarios is forecast at 92 - 167 million doses.

Indian Vaccine Market

India has one of the world's largest immunization programmes and a substantial domestic vaccine-manufacturing base. The Universal Immunization Programme provides vaccination against multiple vaccine-preventable diseases through a nationwide network of government health facilities and outreach services.

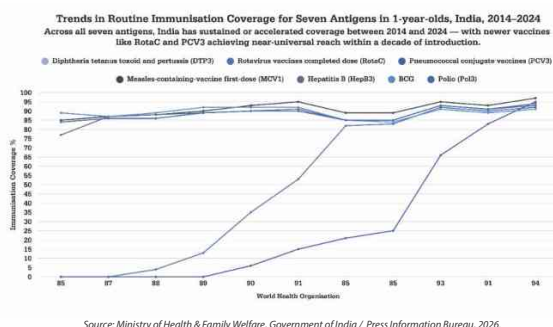
India maintained national full-immunization coverage above 90% during each of the four financial years from 2022-23 to 2025-26. Full-immunization coverage was reported at 97.9% for 2025-26, demonstrating the scale and reach of the Universal Immunization Programme⁵.

The Government of India launched a nationwide HPV vaccination campaign on February 28, 2026, for ~1.2 crore eligible girls aged 14 years across all States and Union Territories. The vaccine is being provided free of cost through designated government health facilities and is recorded through the U-WIN platform.

⁴Gavi, the Vaccine Alliance, Gavi 6.0 Strategy (2026–2030) and Vaccine Investment Strategy 2024 ⁵Ministry of Health & Family Welfare, Government of India, July 2026

India's research, manufacturing and regulatory ecosystem also supports the development and supply of vaccines for domestic and international markets. Continued investment in biotechnology, clinical research, manufacturing infrastructure, cold-chain systems and disease surveillance is expected to strengthen India's role in global vaccine development and supply.

A key driver in the Indian vaccine market is the growing focus on preventive healthcare and government of India's push on Project Indradhanush. With increasing awareness about disease outbreaks and the long-term benefits of immunization, both government and private stakeholders are prioritizing vaccination as a cost-effective public health tool. The expansion of awareness campaigns, school-based programs, and healthcare worker outreach in rural areas is bolstering the Indian vaccine market growth. Additionally, the rise in lifestyle and infectious diseases has shifted consumer preference towards preventive measures. This change, together with strong government support and improved healthcare infrastructure, is significantly accelerating vaccine demand across various age groups and socio-economic segments in India.



With one of the world's largest paediatric populations, routine childhood immunizations remain a cornerstone of healthcare priorities. Simultaneously, an aging demographic is increasingly vulnerable to diseases like influenza, pneumococcal infections, and shingles, prompting rising adult and geriatric vaccination needs. Government and private healthcare providers are introducing targeted immunization schedules to address these segments, backed by improved healthcare access and urbanization. This demographic-driven demand ensures consistent consumption across age groups, creating long-term market stability and encouraging new product development tailored to age-specific immunity requirements.

Opportunities in Indian Vaccine Market:

- The Government of India is the single largest buyer of vaccines with procurement being undertaken for more than 25 million babies annually.
- Higher local content requirements in Indian tenders continue to offer opportunities for Indian manufacturers to develop and commercialise EPI vaccines for the Indian high-volume but low-value Indian market.

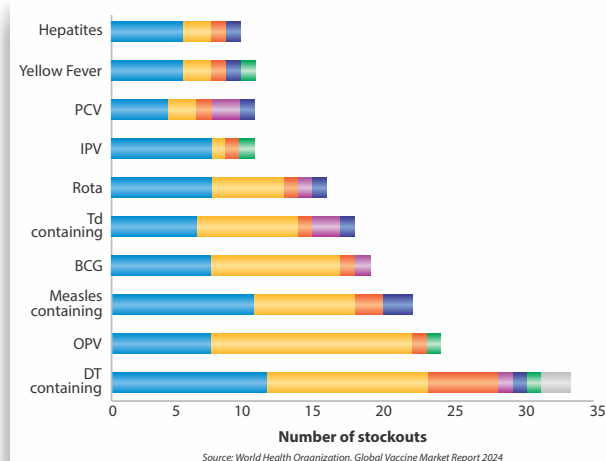
- Gavi's 2026-2030 strategy and its 2024 Vaccine Investment Strategy provide market signals for vaccines against additional diseases, including tuberculosis, dengue, Group B streptococcus, mpox and hepatitis E. These developments may create opportunities for Indian manufacturers with relevant development platforms, scalable manufacturing capabilities and experience in supplying affordable vaccines⁶.
- Expansion of digital immunization systems, preventive healthcare programmes and vaccination across additional age groups may support long-term growth in India's public and private vaccine markets.

Challenges:

- Vaccine misinformation: Misconception about vaccines often arises when there are information gaps or unsettled science, as human nature seeks to reason, better understand, and fill in the gaps. Vaccine misconceptions and misinformation are a major concern among governments, funding agencies, vaccine manufacturers and suppliers, and other stakeholders alike. Low acceptance rates due to vaccine misinformation result in the lower market penetration of effective and safe vaccines, which could adversely affect the market.
- Regulatory Hurdles: Stringent and varying regulations across countries can delay market entry.
- Competition: Increasing competition from other pharmaceutical companies developing similar vaccines.
- Supply Chain Disruptions: Natural disasters, pandemics, or geopolitical issues can disrupt the supply chain.
- Adverse Events and Safety Concerns: Reports of adverse events can lead to loss of trust and legal liabilities.

Stockouts of existing Vaccines

Vaccine stockouts continue to present a risk to immunization programmes, particularly where procurement, financing, manufacturing or quality-related issues affect supply continuity. The latest WHO Global Vaccine Market Report records 68 countries reporting at least one national-level vaccine stockout during 2023⁷.



⁶Gavi, the Vaccine Alliance, Vaccine Investment Strategy 2024

⁷World Health Organization, Global Vaccine Market Report 2024

PANACEA BIOTEC'S BUSINESS AND STRATEGY

Panacea Biotec group continues to focus on its vaccines, pharmaceutical and nutrition business. Vaccines business contributes the largest share in the consolidated revenues. We believe that we have a strong pipeline of products and are well positioned for future growth in all the segments.

At the heart of Panacea Biotec's strategy lies a deep commitment to Research & Development. Our focus is not only on advancing science but also on making it affordable, practical, and impactful for families worldwide. By improving efficacy, simplifying dosing regimens, and/or reducing the cost of manufacturing, our R&D efforts ensure that our innovations translate into better access, better outcomes, and healthier lives. We seek to leverage a strong pipeline, organized around expected operational growth drivers for creating long-term growth opportunities.

Building on this foundation, we are now consciously shaping our portfolio around the complete journey of a child. From the earliest stage of life where vaccines safeguard against life-threatening diseases, to early-age nutrition that supports growth and development, and into ongoing healthcare and wellness solutions, Panacea Biotec is creating a continuum of care. This child-centric approach ensures that we remain trusted, and indispensable across multiple stages of a family's health journey.

A critical enabler of this strategy is the trust and equity among paediatricians, earned over decades through our vaccines and pharmaceutical offerings. This unique positioning allows us to introduce new portfolios seamlessly, with credibility and confidence, reinforcing our role as a partner to both healthcare professionals and parents. By leveraging this strong foundation, Panacea Biotec is well placed to extend into adjacent categories and create a holistic ecosystem of solutions that strengthens our engagement with consumers overtime.

We are committed to strategically capitalizing on growth opportunities, primarily by advancing our own product pipeline and maximizing the value of our existing products, but also through various business development initiatives. We view our business development activities as an enabler of our strategies and seek to generate growth by pursuing opportunities and transactions that have the potential to strengthen our business and capabilities. We assess our business, assets and scientific capabilities / portfolio as part of our regular, ongoing portfolio review process and continue to consider business development activities that will help advance our business strategy.

Panacea Biotec's Vaccine Business

Panacea Biotec is one of the leading manufacturers of paediatric vaccines and has played a pivotal role in eradication of poliomyelitis from India and many other

countries, being one of the largest suppliers of oral polio vaccines to UNICEF, the Government of India and other developing countries. In the last over two decades, the Company has supplied more than 10.5 billion doses of polio vaccine and more than 210 million immunizations of fully liquid wP based combination vaccines in India and developing countries. Our innovations have helped in increasing paediatric immunization coverage, provided significant savings in the overall cost of immunization and saved the lives of millions of children in developing countries.

We believe that the following are our key strengths:

Advanced Research & Development



Strong R&D teams and state-of-the-art laboratories leverage intellectual property to enable the development of innovative vaccines and other products.

Strong Regulatory Expertise



Deep expertise in navigating complex global regulatory environments ensures efficient and timely product approvals.

Robust Manufacturing & Supply Chain



Efficient manufacturing and distribution networks ensure timely, reliable delivery of high-quality vaccines and other products globally.

Trusted Brand & Global Reputation



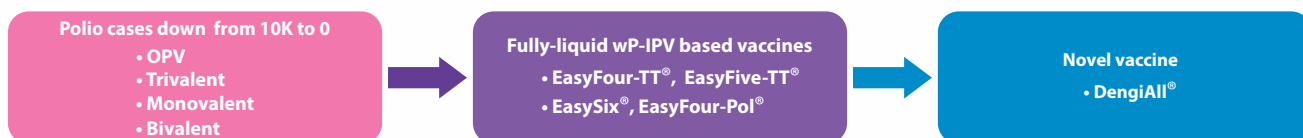
A trusted partner for healthcare providers and global public health agencies, driving high acceptance and long-term health impact.

Journey marked by Polio eradication leading to bigger impact across infectious diseases

The Company has pioneered in the development of vaccines ranging from recombinant, polysaccharide conjugate, and viral vaccines. The Company has a strong pipeline of vaccines under development to boost its future growth, including DengiAll®, a single-dose live-attenuated tetravalent vaccine against Dengue fever, NuCoVac®-11, a pneumococcal polysaccharide conjugate vaccine (11-valent), a multi-epitope nanoparticle-based broadly protective Beta coronavirus candidate vaccine, and several other vaccines at various stages of development.

Our paediatric vaccine franchise focuses on providing newborns protection against deadly diseases like diphtheria, tetanus toxoid, B. pertussis, hepatitis B, haemophilus influenza Type b (Hib), and polio. We have a strong legacy as a global vaccine player with a track record to bring first-to-market innovative products like:

- World's first fully liquid wP-IPV based hexavalent vaccine, EasySix® (DTwP-HepB-Hib-IPV)
- World's first fully liquid wP-IPV based pentavalent vaccine, EasyFourPol® (DTwP-Hib-IPV)



- World's first fully liquid wP based pentavalent vaccine, Easyfive-TT® (DTwP-HepB-Hib)
- World's first monovalent oral polio vaccines (mOPVs) and bivalent oral polio vaccine (bOPV with poliovirus type 1 and type 3), Bi-OPV®.

During the financial year 2025-26, total revenues from vaccines business was ₹4,102.56 million as against ₹3,098.43 million in the previous financial year. The revenue from export of vaccines has increased to ₹2,771.75 million (~67% of total vaccines revenue) as against ₹2,169.37 million during previous year.

The existing commercialized product portfolio of the Company includes key proprietary vaccines: hexavalent vaccine EasySix®, fully-liquid pentavalent vaccine EasyFourPol®, fully-liquid tetraivalent vaccine Easyfour®-TT, WHO prequalified fully-liquid pentavalent vaccine Easyfive-TT®, and bivalent poliomyelitis vaccine Bi-OPV®.

In India, the Company has a field force of around 150 persons spread across the country to regularly reach out to nearly 10,000 paediatricians across India. Over 400,000 children are vaccinated in the private market in India. EasySix® is the brand leader in India with the largest market share in its segment (IQVIA March 2024). The wP-IPV based hexavalent vaccines also compete with aP-IPV based vaccines in the private market in India.

About Easyfive-TT®

Easyfive-TT® is the world's first fully liquid wP-based Pentavalent vaccine that was launched in India in 2005. After receiving WHO pre-qualification in 2008, more than 210 million doses have been supplied to over 75 countries globally. It is a ready-to-use combination vaccine that does not require preparation by healthcare workers at the clinic, reduces the number of visits to vaccination centres, and reduces the overall cost of immunization for all stakeholders.

About EasySix® and EasyFourPol®

Panacea Biotec is the innovator and intellectual property holder of EasySix®, the world's first fully-liquid hexavalent vaccine. The WHO's Strategic Advisory Group of Experts on Immunization (SAGE) has supported the global rollout of wP-IPV based hexavalent vaccine in the global immunization schedule – creating an opportunity for more than 250 million doses of hexavalent vaccine annually. Panacea Biotec is in the process of expanding its manufacturing capacities in order to meet the growing demand of vaccines in future by public health agencies.

In 2024, Panacea Biotec also launched the world's first fully-liquid wP-IPV based pentavalent vaccine under brand name of EasyFourPol® which provides protection against diphtheria, tetanus toxoid, B. pertussis, Hib, and polio. It is the only vaccine in its segment of wP-IPV based vaccine that aids healthcare practitioners who prefer to give hepatitis B as a standalone vaccine or in mixed schedules due to high-risk births.

Environmental Sustainability: Our combination vaccines, led by EasySix®, EasyFourPol®, and EasyFive-TT®, also set the precedent of promoting environmental sustainability. Adoption of EasySix® in the immunization program leads to reduction of over 60% carbon emissions, helps make a single immunisation program (3 vs 1), over 50% reduction in supply chain costs and storage benefits, and also more than 50% reduction in biological waste.

Apart from lower number of injections and less pain for children, EasySix® provides additional benefits to parents and governments. As parents are able to get all the vaccinations completed in fewer visits, they are more likely to get their children vaccinated. With higher vaccination rates, governments have to spend less money to create healthcare infrastructure and doctors / nurses spend less time on treating avoidable diseases among children; families also get



benefited as they truly spend their income to improve their quality of life. Hence, overall society benefits from critical combination vaccines like EasySix®.

60% reduction in CO2 emissions		
CO ₂ emissions for 30 million doses (in kg)	Current immunisation schedule (3 Penta and 3 IPV)	Hexavalent Vaccine
Paper	7,988,775	3,195,510
Glass	225,721	90,288
Steel	4,625	1,850
Transportation	8,707,455	3,482,982
Total for 30 million doses	16,926,576	6,770,630

Source: Company assessment based on comparative packaging, material utilization and transportation requirements for 30 million immunization doses. The calculations are based on the assumptions and methodology maintained by the Company.

Considering the benefits that hexavalent vaccine offers, WHO SAGE in October 2021 approved adoption of hexavalent vaccine in the global immunization program. This led to PAHO's adoption in May 2023 and Gavi's adoption in June 2023. The pace and scope of country transitions from separate pentavalent and IPV vaccination to hexavalent vaccination are expected to be the principal drivers of future hexavalent demand. The latest Gavi 7.3 demand scenarios are presented below:

Transition Scenario for adoption of Hexavalent vaccine	2026	2030	2035
Accelerated transition	18	125	167
Limited transition	18	74	92

Actual demand will, however, depend upon country introduction decisions, financing, product availability, programme readiness and procurement timelines.

Pipeline vaccines

The Company is in the process of launching TedShot® (Tetanus and Diphtheria reduced) vaccine in India after having received marketing authorisation in India. We expect it to compete in the annual ₹250 million private market in India and the public market procurement.

The Phase III clinical trial for India's first dengue vaccine, DengiAll®, is ongoing. The Company has collaborated with the Indian Council of Medical Research (ICMR) for the Phase III clinical trial of DengiAll® vaccine.

The Phase II/III clinical trial of NuCoVac®-11, the Company's 11-valent pneumococcal conjugate vaccine candidate, has been completed in India. Subject to receipt of applicable regulatory approvals, NuCoVac®-11 is expected to compete in the approximately ₹20,000 million annual pneumococcal vaccine market in India.

The Company is also developing a multi-epitope recombinant mpox vaccine, VaxiPox™ designed against highly conserved antigens across mpox clades, jointly with BRIC-THSTI. A recombinant, nanoparticle broadly protective Beta coronavirus candidate vaccine is being developed in collaboration with BRIC-THSTI.

About DengiAll®

Panacea Biotec's tetravalent dengue vaccine candidate, DengiAll® has been developed to provide balanced protection across all four dengue virus serotypes while ensuring a superior safety profile compared to existing options. One of the major challenges in dengue vaccine development has been the risk of antibody-dependent enhancement (ADE), which can lead to more severe disease in individuals without prior dengue exposure. This has been a recurring safety concern with earlier and some current vaccines, where efficacy against certain serotypes was inconsistent.

In fact, long-term analyses of competing products (Daniels et al (Nat Med 31)) have shown that while protection was achieved for DENV1 and DENV2, there was little to no efficacy against DENV3 and DENV4 in seronegative individuals. Moreover, imbalances were observed in hospitalization rates for DENV3, with the vaccine arm showing more cases than placebo, and regulatory reviews have highlighted the risk of hospitalization and severe dengue - including dengue haemorrhagic fever - linked to DENV3 and DENV4 in dengue-naïve recipients.

DengiAll® has been designed to overcome these limitations by avoiding structural imbalances that contribute to serotype-specific risks. Its safety advantage is reinforced by both human challenge and non-human primate studies, where DengiAll's strains have demonstrated robust protection. In controlled human infection models, vaccinated volunteers resisted wild-type dengue challenge, showing prevention of both viremia and symptomatic illness across all four serotypes without evidence of breakthrough severe cases. Similarly, monkey challenge studies confirmed that vaccinated animals mounted strong neutralizing antibody responses, were protected from clinical illness, and did not experience ADE-associated complications.

Together, these findings position DengiAll® as a safer and more programmatically deployable dengue vaccine candidate, with the potential to eliminate the need for pre-vaccination screening. By combining a broad tetravalent response with early evidence of durable safety from challenge studies, DengiAll® stands out as a next-generation solution capable of addressing the global unmet need for a reliable dengue vaccine.

About Mpox candidate vaccine VaxiPox™

Mpox, caused by the Monkeypox virus (MPXV), has re-emerged as a significant global health concern with multiple clades in circulation. Clade I (Central African, further divided into Ia and Ib) is associated with more severe disease and higher fatality rates, while Clade II (West African, with subclades IIa and IIb) has been responsible for the widespread outbreaks since 2022. The ongoing circulation of both severe and milder clades highlights the unpredictable nature of the disease and the potential for further international spread. A major clinical challenge lies in the waning immunity resulting from the cessation of smallpox vaccination programs after eradication in 1980. While older populations may retain

partial cross-protection, younger generations are largely susceptible, leaving a growing global immunological gap. This has been compounded by new epidemiological patterns of transmission, including household spread, nosocomial infections, and sexual networks, which have accelerated the disease's reach across continents.

Against this backdrop, Panacea Biotec, in collaboration with BRIC-THSTI, is developing VaxiPox™, a novel multi-epitope subunit vaccine designed to target conserved antigens across circulating clades. Unlike live-virus vaccines, VaxiPox™ offers a safer profile suitable for wider populations, including immune compromised individuals and children, while eliciting both strong T-cell and neutralizing antibody responses. With global Mpox cases surpassing 142,000 confirmed infections across more than 130 countries since 2022, the demand for effective, broadly protective vaccines have never been more pressing. The global mpox vaccine market, valued at ~US\$ 114.06 million in 2025-26, is projected to reach nearly US\$ 372.85 million by 2035, growing at a CAGR of over 13.3%. VaxiPox™ is well-positioned to address this unmet need, combining scientific innovation with scalable production to ensure accessibility in both developed and resource-limited regions.

About Broadly protective Beta coronavirus candidate vaccine

A recombinant, nanoparticle candidate vaccine collaboratively developed with BRIC-THSTI, has potential to offer protection against SARS-CoV-1, SARS-CoV-2 and MERS to drive broad neutralization. It has been formulated with Panacea Biotec's EmulsiPan adjuvant. The program is co-funded by The Coalition for Epidemic Preparedness Innovations (CEPI) (US\$12.5 million) and is advancing towards Phase I human safety studies.

Beta coronaviruses have emerged repeatedly in recent decades, underlining the urgent need for broadly protective vaccines. The SARS-CoV-1 outbreak in 2001 (commonly referred to as the 2002–2003 SARS pandemic) demonstrated how a novel coronavirus could spread rapidly across continents, resulting in over 8,000 cases with nearly 10% fatality. This was followed by the SARS-CoV-2 pandemic in 2019, which escalated into the most disruptive global health crisis in recent history, infecting hundreds of millions, causing millions of deaths, and leaving long-lasting socio-economic impacts worldwide. Parallel to these, Middle East Respiratory Syndrome (MERS) - first identified in 2012 - has continued to pose a persistent threat, especially in Saudi Arabia. By May 2025, there have been 2,626 confirmed cases globally, of which more than 2,217 were reported in Saudi Arabia alone, with a fatality rate close to 39%. These repeated incursions underscore the unpredictability and high lethality of beta coronaviruses.

India, like several other countries, faces a heightened vulnerability due to animal reservoirs and environmental interfaces. Dromedary camels are recognized carriers of MERS-CoV, and multiple coronavirus strains have also been identified in Indian bat populations. The close human–animal proximity that characterizes large parts of India - driven by livestock dependence, expanding urban encroachment, and

ecological disruption - further elevates the risk of zoonotic spillovers. In conflict-prone or resource-constrained regions, surveillance and containment are even more difficult, compounding the risk of localized outbreaks escalating into wider epidemics.

Together, these initiatives highlight how India's scientific partnerships are producing globally relevant vaccine solutions. With rising risks from coronaviruses, poxviruses, and other zoonoses, platforms that combine antigenic breadth, rapid manufacturability, and affordability are poised to become cornerstones of global pandemic security.

Global Institutional business for Vaccines

Panacea Biotec has been one of the largest suppliers of vaccines to multilateral agencies such as UNICEF and PAHO and has been supplying vaccines to institutional customers and national governments for over two decades. During the year under review, the Company's vaccines were exported to ~37 countries across Africa, Asia, and Latin America. In addition to supplying Easyfive-TT®, EasySix® and Bi-OPV®, the Company plans to seek WHO prequalification for its pipeline products and other licensed products such as Pneumococcal Conjugate vaccine, Dengue Tetravalent vaccine, EasyFourPol® and Td vaccine, enabling their supply to UN agencies and other national governments.

As part of its strategy to expand into the international private vaccine market, the Company has already registered its vaccines in 17 countries, including through the African Medicines Regulatory Harmonization (AMRH) initiative. This will, inter alia, facilitate the launch of its products across ~32 countries in the African region that have ratified the African Medicines Agency (AMA) Treaty.

Panacea Biotec remains committed to supporting the global cause of providing affordable vaccines to children across the world. The Company works closely with leading global health organizations, including WHO, Gavi, UNICEF, PAHO, CEPI, the Gates Foundation, and the Clinton Health Access Initiative (CHAI). The Company is also a member of the Developing Countries Vaccine Manufacturers Network (DCVMN), a public health-driven international alliance of vaccine manufacturers that shares a common vision and mission of combating infectious diseases and accelerating access to affordable, high-quality vaccines.

Our Role in Polio Eradication

The Company has delivered over 10.5 billion doses of polio vaccines across the world. We started this journey in India in



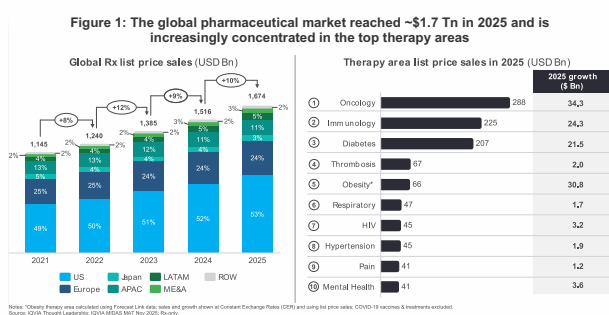
1990 and then subsequently touched more than 1 billion doses supplied in 2007 - the largest in the world at the time.

World's first monovalent oral polio vaccines (mOPVs) and bivalent oral polio vaccine (bOPV with Poliovirus Type 1 and Type 3), Bi-OPV: Anticipating stagnancy in the number of polio cases in 2005, Panacea Biotec launched monovalent OPV vaccines to help arrest the number of polio cases and finally, reach 0 cases in 2011 that we celebrate even today.

GLOBAL PHARMACEUTICAL MARKET

The global pharmaceutical industry continued to demonstrate resilient growth during 2025, supported by rising medicine utilisation, the increasing burden of chronic diseases, continued introduction of innovative therapies and expansion of healthcare access across several markets. According to IQVIA, the global prescription pharmaceutical market reached ~US\$1.7 trillion at list prices in 2025, recording year-on-year growth of ~10%. Global medicine spending is projected to reach US\$2.6 trillion by 2030, representing an estimated compound annual growth rate of 5% - 8%. This growth outlook remains subject to factors including pricing and reimbursement pressures, changes in healthcare and trade policies, geopolitical uncertainty and the increasing impact of loss of exclusivity for major pharmaceutical products.

Global pharmaceutical market size and growth, 2016 - 2030



The global demand for medicines is being shaped by demographic changes, ageing populations, increasing healthcare access and the continuing prevalence of non-communicable diseases. Cardiovascular diseases, cancer, chronic respiratory diseases and diabetes remain the principal non-communicable diseases globally. The World Health Organization estimates that these conditions account for a substantial majority of premature deaths from non-communicable diseases, with physical inactivity, unhealthy diets, tobacco use, harmful use of alcohol and air pollution being among the major contributing risk factors. The burden is particularly significant in low- and middle-income countries, creating a continuing need for accessible, affordable and effective therapies.

The geographical composition of the pharmaceutical market remains concentrated in developed markets. The United States continued to be the largest pharmaceutical market, accounting for approximately 53% of the global prescription medicine market by value in 2025, while Europe represented approximately 24%. Although the Asia-Pacific region

accounted for a smaller share of global sales value, the region remains important from a long-term perspective due to its large patient population, increasing medicine utilisation and expanding healthcare infrastructure. China, the world's second-largest pharmaceutical market, is expected to remain an important contributor to global volume growth through 2030. Growth in the Middle East and Africa has also accelerated, supported by healthcare reforms, improved access and increasing demand for medicines.

Growth is becoming increasingly concentrated in high-value and specialty therapeutic areas. Oncology, immunology and diabetes together accounted for ~43% of global pharmaceutical market value in 2025. Obesity treatments have also emerged as a major contributor to market growth, reflecting increasing prevalence, improved diagnosis and the rapid adoption of new-generation therapies. Oncology remained the largest therapeutic area, with global sales of ~US\$288 billion during 2025. Continued innovation in antibody-drug conjugates, immunotherapies, radio-pharmaceuticals, targeted therapies and other advanced modalities is expected to support growth, although increasing generic and biosimilar competition will moderate growth for certain established products.

The industry is continuing its transition from predominantly broad-based small-molecule therapies towards a more diversified portfolio of targeted and specialized treatments. Biologics, biosimilars, cell and gene therapies, precision medicines, companion diagnostics, RNA-based treatments and therapies for rare diseases are becoming increasingly important components of pharmaceutical research and commercial portfolios. At the same time, small-molecule medicines continue to play a critical role due to their established clinical utility, scalability, patient accessibility and suitability for generic competition.

Innovation remained active during 2025. The US Food and Drug Administration's Center for Drug Evaluation and Research approved 46 novel drugs during 2025, in addition to approvals for new indications and expanded patient populations for previously approved medicines. Globally, an estimated 73 novel active substances were launched during 2025, exceeding the average recorded over the preceding decade. These developments reflect sustained investment in research and development despite increasing scientific, regulatory and commercial complexity.

Digital technologies are increasingly being integrated throughout the pharmaceutical value chain. Artificial intelligence, machine learning, automation and advanced analytics are being applied in target identification, molecular design, clinical-trial planning, manufacturing, pharmacovigilance, regulatory processes and commercial decision-making. Their effective deployment has the potential to improve development productivity, shorten certain decision cycles and enable more efficient use of clinical and real-world data. However, adoption will require robust governance relating to data quality, validation, cybersecurity, patient privacy and regulatory compliance.

The industry also faces a significant cycle of patent expiries and loss of exclusivity through the remainder of the decade. Generic and biosimilar competition is expected to improve patient access and generate savings for healthcare systems, while placing pressure on the revenues of originator companies. Loss of exclusivity is expected to be one of the principal factors moderating global pharmaceutical market growth through 2030. Consequently, pharmaceutical companies continue to focus on pipeline replenishment through internal research, licensing arrangements, strategic collaborations and acquisitions of differentiated products and technology platforms.

Pricing and market-access pressures remain important considerations, particularly in major developed markets. Governments and healthcare payers continue to seek a balance between encouraging pharmaceutical innovation, ensuring the sustainability of healthcare expenditure and improving patient access. In parallel, evolving trade policies, supply-chain localisation initiatives and geopolitical developments are encouraging companies to reassess manufacturing networks, sourcing strategies and supply-chain resilience.

Overall, the global pharmaceutical industry is expected to remain on a positive long-term growth trajectory, supported by unmet medical needs, demographic trends, scientific advancement and broader access to healthcare. Success will increasingly depend upon the ability of companies to maintain high standards of quality and regulatory compliance, develop differentiated and cost-effective products, manage complex global supply chains, leverage digital technologies responsibly and establish collaborative partnerships across the healthcare ecosystem.

Indian Pharmaceutical Market

The pharmaceutical industry in India is a significant part of the nation's foreign trade and offers lucrative potential for

investors. Millions of people around the world receive affordable and inexpensive generic medications from India, which also runs a sizable number of plants that adhere to Good Manufacturing Practices (GMP) standards set by the World Health Organization (WHO) and the United States Food and Drug Administration (USFDA).

According to data from the Economic Survey 2025-26 and recent industry reports, the Indian pharmaceutical market stood at US\$ 57.61 billion (~₹4,970 billion) in 2025 and is estimated to reach US\$ 60.32 billion (~₹5,200 billion) in 2026. Backed by structural reforms and reliable export capacity, the market is projected to reach US\$ 79.74 billion by 2031.

Widely recognized as the "Pharmacy of the World," India ranks 3rd globally in pharmaceutical production by volume and 11th by value. Driven by manufacturing expansions, total pharmaceutical exports grew by 9.4% to reach US\$ 30.47 billion (~₹2,660 billion) in FY2024-25, spanning 191 countries and territories.

India has an established domestic pharmaceutical industry, with a strong network of ~3,000 pharmaceutical companies and ~10,500 manufacturing units. India supplies over 50% of Africa's requirement for generics, ~40% of generic demand in the US and ~25% of all medicine in the UK.

Reciprocal tariffs introduced by the United States have added uncertainty to the outlook. The Reserve Bank of India (RBI) has cautioned that these tariff developments may dampen exports and weaken domestic demand, prompting a downward revision of its growth forecast from 6.7% to 6.5%.

The US Government's reciprocal tariff policy is likely to significantly impact Indian pharmaceutical companies, particularly those exporting to the US market. USA is India's largest market for pharmaceutical exports, accounting for ~31% of India's total pharmaceutical exports in financial year 2024-25. To counter these challenges, India is intensifying efforts on diversifying its export markets, negotiating trade



7N Panacea Biotec

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FOR TOTAL NUTRITION

ChilRun®

Supports Kids' Growth & Development

ChilRun full 2+

Total Nutrition to Support Child's Growth & Development



ChilRun full NO SUCROSE 2+

Total Nutrition to Support Child's Growth & Development



ChilRun 7+

Total Nutrition for Modern-Day Growing child



agreements, and boosting domestic manufacturing. The country is also poised to benefit from supply chain realignments and foreign direct investment diversification. However, the global slowdown driven by trade tensions remains a key risk. RBI maintains that calibrated policy support can enable India to navigate this volatility and strengthen its position within the emerging global economic landscape.

Indian Nutrition Market

The Indian baby food and infant formula market is experiencing robust growth in 2026, valued at over US\$ 10 billion and projected to grow at a CAGR of 5% to 7%. The growth in this market is driven by increasing female workforce participation and increasing awareness among the parents for overall development of children through nutritional products. Consumers are increasingly using baby food products to give additional supplements to increase the immunity and health of infants and young children.

Government initiatives such as the Pradhan Mantri Matru Vandana Yojana (PMMVY) and Integrated Child Development Services (ICDS) are crucial in promoting proper infant nutrition in the country. These programs aim to address malnutrition and improve maternal and child health by providing support and nutritional supplements. Additionally, advancements in research and technology have led to innovative product formulations, focusing on nutritional content and development benefits.

With a growing awareness of nutrition's importance in early childhood, increasing disposable incomes, and changing lifestyles, the market has become dynamic and competitive. The demand for organic and natural ingredients has also gained traction, resulting in a growing preference for healthier options among parents.

Healthcare professional recommendations are serving as a key driver for the expanding infant and toddler nutrition

market in India. Parents increasingly rely on guidance from paediatricians and nutrition experts when making decisions about their children's diets. As healthcare professionals emphasize the crucial role of proper nutrition in early childhood development, their endorsements carry considerable weight, influencing parental choices. Paediatricians often recommend products that contain essential nutrients, vitamins, and minerals, aligning with a child's specific developmental needs. This endorsement provides a direct link between healthcare advice and consumer purchasing behaviour.

Indian Baby Care Products Market

The Indian baby care products market size in 2026 is valued between US\$ 5.51 billion and US\$ 5.57 billion. It is expected to reach US\$ 9.52 billion to US\$ 9.72 billion by 2031 at a CAGR of 11% to 12% annually.

Baby care products are designed to cater to the unique needs of babies and young children whose delicate skin requires special care and attention. These value-added products are formulated to be mild and gentle, with no parabens, phthalates, toxins, or mineral oil, with a focus on providing hydration and nourishment to the skin while keeping it clean and comfortable. The baby skincare products market in India has witnessed significant growth in recent years. The increasing awareness among parents regarding the importance of using safe and natural products for their babies' skin has led to a rise in demand for baby skincare products.

Moreover, the growth of the e-commerce industry has made it easier for parents to access a wider range of products and purchase them online. The increasing number of women joining the workforce in India has led to a rise in demand for baby care products, as working parents have less time to follow traditional methods of baby care.

Additionally, the use of innovative product packaging and the incorporation of organic ingredients with health benefits

777 Panacea Biotec

BEST IN GOODNESS



NikoMom

Baby Care Expert

Skin Care | Diapers | Wet Wipes











have further boosted the demand for baby care products in India. These trends are expected to continue driving the growth of the baby care products market in India in the coming years.

PHARMACEUTICAL FORMULATIONS AND NUTRITION BUSINESS

During the year under review, total consolidated revenues from pharmaceuticals and nutrition business was ₹2,295.18 million as against ₹2,492.51 million during previous financial year. The revenues from exports of pharmaceutical products were ₹1,441.48 million as against ₹1,838.27 million in previous financial year. The domestic revenues from pharmaceutical formulations and nutrition business increased to ₹853.70 million from ₹654.24 million during previous financial year mainly due to higher revenue from contract manufacturing activities.

International Pharmaceutical Formulations Business

During the year under review, the Company's wholly-owned subsidiary Panacea Biotec Pharma Limited ("PBPL") has exported its pharmaceutical products to over 40 countries worldwide including the United States, Canada, Germany, Serbia, Bosnia, Kosovo, UAE, Saudi Arabia, Qatar, Russia, Kazakhstan, Algeria, Turkey, Tanzania, Kenya, Uganda, Ghana, Indonesia, Vietnam, Philippines, Myanmar, Sri Lanka, Mongolia, Thailand, Brazil, Panama, Ecuador, Paraguay, Costa Rica, Chile, Cambodia, Jordan, Trinidad & Tobago, Rwanda, etc.

PBPL has been pursuing its international pharmaceutical formulation business with a team of dedicated employees and has established relationships with various key business associates / partners who market / distribute its products across several countries in the world in both ICH markets and ROW countries.

In North America and Europe, PBPL is taking several steps to strengthen its position. Panacea Biotec Germany GmbH (PBGG) launched Valgapan (Valganciclovir) in Germany during previous financial year, while portfolio expansion with Siropan is underway. Broader European expansion is advancing, with marketing authorisation applications for PacliAll® filed in 11 EU countries. The first marketing authorization is expected during the current financial year, followed by commercial launches. Product registrations are initiated in new markets like the UK that will help in sustained growth. Portfolio building is also supported by in-licensing products from other manufacturers, alongside assessment of nutrition and supplement opportunities to build a broader presence in the region.

In the Rest of the World (ROW) markets, PBPL expanded its global presence significantly during the year under review. PBPL entered markets such as Algeria, Egypt, Libya, Oman, Qatar, and South Africa, with product launches scheduled in the next 1-2 years. Saudi Arabia also witnessed the relaunch of Rizatriptan, reinforcing PBPL's established base in the region. In Asia-Pacific region, products were successfully commercialized in Indonesia, and regulatory transfer activities were completed in Australia, paving the way for a commercial launch of under registration dossiers in financial year 2026-27. With these developments, PBPL has set the foundation to expand its ROW markets footprint from ~40 operational countries to 54 over the next five years, with 8 new markets expected to be added in the near term and remaining in the longer horizon.

PBPL now maintains 386 active registrations across ROW markets, supported by 36 registration dossiers under review and a further 68 dossiers planned for filing in the current financial year. Alongside regulatory expansion, portfolio development has been accelerated, with seven new products under various stages of development.


Panacea Biotec



**Infant Formula
Stage 1**



**Follow-up Formula
Stages 2-3-4**



EDUCATIONAL INFORMATION FOR HEALTHCARE PROFESSIONALS ONLY

IMPORTANT NOTICE: MOTHER'S MILK IS BEST FOR YOUR BABY

महत्वपूर्ण सूचना: माँ का दूध आपके बच्चे के लिए सर्वोत्तम है



LEAP Sales Meet at Faridabad

Nutrition and Baby Care Business

In the Indian market, PBPL continues to pursue a clear strategy of strengthening its existing brands while building new categories to address the evolving needs of families - children, newborns, and new mothers. Our focus has been on creating meaningful healthcare solutions that extend beyond clinical care into everyday preventive and lifestyle wellness, while expanding access through deeper retail penetration and digital platforms.

Since its launch in June 2023, our sustained efforts to build our brand ChilRun®, have been supported by innovative marketing initiatives such as Fizz Zone taste camps, Shakti Health camps and Observation Studies designed to assess the impact of products on children's growth in real-world scenarios. In addition, campaigns in schools and Resident Welfare Associations have successfully amplified awareness and trust among parents, reinforcing ChilRun's positioning as a trusted nutritional solution for growing children.

Also, ChilRun full® has demonstrated considerable success in enhancing childhood growth, especially among ones at risk of malnutrition, according to the results of a comprehensive 90-day nationwide post-marketing observational study in more than 4,000 kids, conducted by PBPL.



Field Force Training at Corporate Office at New Delhi

During the financial year 2025-26, PBPL launched the NikoMom® Baby Skin Care range to complement NikoMom® Baby Diapers and Wet Wipes. NikoMom® Baby Skin Care covers a wide spectrum of everyday essentials for newborn babies such as Massage Oil, Head-to-Toe Wash, Daily Lotion, and Diaper Rash Cream. Each product is hypoallergenic, toxin-free, and dermatologically tested, ensuring that delicate baby skin receives only the best. Infused with natural oils, plant-based extracts, and nourishing vitamins, the range provides holistic baby care without harmful chemicals like parabens, sulfates, silicones or artificial dyes.

During the financial year 2025-26, PBPL also launched 'Staart® Prime' Infant Formula in 2 variants. The Staart Prime Infant Formula for Stage 1 (0-6 Months) and for Stages 2-3-4 (6-24 months) is formulated to provide age-appropriate nutrition support for infants when breastfeeding is not possible. It contains a blend of proteins, prebiotics, DHA, ARA, vitamins, minerals and other nutrients which are recognized for their role in supporting age-appropriate overall growth and development of the baby. Staart Prime is free from palmolein oil, maltodextrin, fructose, high fructose corn syrup and table sugar.

Recognizing the importance of modern retail channels, PBPL has expanded access to its brands through e-commerce



Panacea team celebrating event - Sankalp - Commitment to Win



Dr. Rajesh Jain, CMD with H.E. Mr. Juan Carlos Marsan Aguilera, Ambassador of the Republic of Cuba and other team members and delegates.

platforms. Its brands are now available on Amazon, Flipkart, Tata 1mg, etc. in addition to its own direct-to-consumer portal, www.7Nshop.com, which enables customers to access its offerings directly from PBPL. This multi-channel approach has positioned PBPL to engage with consumers across digital and physical ecosystems, ensuring its brands are accessible anytime, anywhere, and paving the way for future launches.

To further strengthen its retail presence, PBPL had set up a new dedicated trade expansion initiative under the LEAP SBU last year. This specialized team penetrated into untapped markets making its brands available at specialized chemist retail chains such as Frank Ross pharmacies, Zeelab pharmacies, Global Pharmacy Plus, Chemist Box, Noble Plus, Dr Morepen Pharmacies and standalone chemist outlets. While LEAP has played a key role in making its brands available at such outlets, it has been instrumental in enhancing and revamping distribution to make its brands available at general trade outlets. Today, PBPL's brands are available at more than 30,000 chemists which are catered through 1800+ distributors. To strengthen last-mile connectivity, PBPL is expanding its stockiest base, to create a structured go-to-market model for flagship consumer brands such as Staart® Prime, NikoMom® and ChilRun®, ensuring deeper retail penetration and stronger presence in modern and general trade channels. In parallel, Panacea Biotec is investing in and leveraging its proprietary platform www.7Nshop.com alongside e-commerce and quick commerce partners such as Amazon, Flipkart, and Tata 1mg. By integrating its CFA network into D2C deliveries, PBPL is creating a hybrid supply model that combines scale efficiency with consumer convenience, thereby supporting its ambition to become a leading household name in family healthcare.

Together, these initiatives reflect an India strategy built on three pillars: (i) sustaining and scaling existing brands through awareness campaigns and retail expansion; (ii) launching new, strategically aligned categories that extend our neonatal and paediatric expertise into broader family care; and (iii) leveraging new channels, digital platforms, and acquisitions to reach a wider consumer base. By integrating nutrition, hygiene, and lifestyle wellness under a unified approach, PBPL is positioning itself as a holistic partner in the growth and well-being of families in India.



Directors and officials of Panacea Biotec along with former director during their visit to Lalru Plant for Annual General Meeting

Supply Chain Management

Panacea Biotec is committed to ensuring the timely availability of its products to its business partners and patients. It has an established Supply Chain Management (SCM) system designed for creating end-to-end visibility and controls right from sourcing of materials till collection of receivables for the vaccines, pharmaceuticals, nutrition and baby care products.

In India, Panacea Biotec has built a robust and agile supply chain designed to support its fast-growing vaccines, baby hygiene, and nutrition businesses. The Group operates through 2 Central Warehouses and 14 Sales Depots / Carrying & Forwarding Agents (CFAs), supported by a network of nearly 1,800 distributors as of March 31, 2026. This infrastructure ensures a Pan-India presence, enabling timely availability of products across urban, semi-urban, and rural markets.

Globally, Panacea Biotec has established a supply chain framework designed to deliver reliability, compliance, and efficiency across ICH and ROW markets. Panacea Biotec works with world-class logistics providers, clearing agents, and airlines, ensuring consistent delivery to partners in Asia, Europe, Africa, and North & South America. To support its fast-expanding footprint, Panacea Biotec continues to optimize its export logistics and international distribution partnerships, aligning with its growth strategy to reach 50+ countries over the next five years.

A key strength lies in Panacea Biotec's cold chain management expertise, which underpins its vaccines business. The Company employs Vaccine Vial Monitors (VVMs), data loggers, refrigerated vehicles, cold rooms, ice boxes, coolant, and Tyvek packaging to ensure temperature stability throughout the supply journey. Every pallet in international consignments is fitted with data loggers, enabling real-time monitoring and compliance with stringent global regulatory requirements.

Additionally, Panacea Biotec has developed a Track & Trace system and best-in-class documentation protocols, minimizing risks of delays, damages or demurrage. This system not only ensures timely deliveries but also reinforces Panacea Biotec's reputation as a trusted partner in critical healthcare supply chains worldwide. By aligning its global distribution strength with its product pipeline in vaccines, immunosuppressants,

nutrition, and hygiene products, the Company is well positioned to scale its international business across regulated ICH and ROW markets.

Together, Panacea Biotec's domestic and international supply chain infrastructures form a complementary backbone that supports its growth ambitions. In India, the focus remains on retail expansion, brand visibility, and direct consumer engagement, while globally the emphasis is on compliance driven logistics, cold chain excellence, and strategic distributor partnerships. This dual approach ensures that the Company not only delivers efficiency and reliability today but also creates the capacity and flexibility needed to scale in line with its long-term business strategy.

MANUFACTURING FACILITIES

Vaccine Drug Substance facilities at Lalru

The Company operates state-of-the-art drug substance manufacturing facilities at Lalru, Punjab, which commenced operations in 2002. Lalru site houses multiple blocks dedicated to produce recombinant, bacterial, and viral vaccine drug substances.

Specialized Manufacturing Blocks for Vaccine Drug Substances: The facility is designed with dedicated, independently operable manufacturing blocks, each tailored to the specific process and biosafety requirements of different vaccine platforms. These blocks enable high-containment, contamination-controlled production of complex biologics with enhanced operational flexibility.

The manufacturing blocks are categorized as follows:

- **Bacterial Vaccines Block:** Supporting the cultivation, inactivation, and downstream processing of bacterial antigens.
- **Viral Vaccines Block:** Equipped for propagation of viral strains under controlled bio safety conditions.
- **Recombinant Vaccines Block:** Designed for microbial expression systems (E.coli, Pichia pastoris) used in recombinant protein production.

These specialized blocks enable the manufacture of critical vaccine drug substances, including:

- recombinant hepatitis B surface antigen (r-HBsAg) - produced via yeast expression systems and purified.
- Tetanus toxoid (TT) – purified tetanus toxoid, used as both an antigen and carrier protein.
- Haemophilus influenzae type b (Hib) Polysaccharide and Hib-TT Conjugate.
- Inactivated whole-cell pertussis (wP) and diphtheria toxoid (DT).
- Viral Drug Substance Line - currently supporting the manufacturing of dengue vaccine drug substance, with scope for other viral vaccines under development.

Each block is engineered to comply with international GMP guidelines and incorporates scalable bioprocessing technologies to support both clinical and commercial-stage manufacturing.

The Lalru facility is WHO prequalified for the production of Hepatitis B and Hib-TT conjugate antigens, which are key components in the manufacture of the Company's WHO-prequalified pentavalent vaccine Easyfive-TT® as well as the Company's hexavalent vaccine, EasySix®.

To meet the growing demand from UN agencies and national immunization programs globally for hexavalent vaccines, the Company is currently executing a major capacity expansion project at the Lalru site for scaling up of manufacturing capacities for whole-cell pertussis (wP) and diphtheria toxoid (DT) to 70 million doses per annum. The facility expansion has been successfully completed and technology transfer from existing block to new line has been completed successfully for like-to-like scale batches. The Company has already received approvals for whole-cell pertussis (wP) from the Indian National Regulatory Authority (NRA) while application has been made for diphtheria toxoid (DT) as well. The application for WHO pre-qualification is targeted to be submitted during current financial year.



Vaccine Drug Substance facility at Lalru, Punjab



Dr. Rajesh Jain, CMD alongwith other Directors, Senior Officials, Statutory Auditors and Mr. Mukul Gupta, then Independent Director of Panacea Biotec

In order to help finance the said capacity expansion project, the Company has been sanctioned long-term loan of upto US\$ 20 million by the U.S. Government's development finance institution, the U.S. International Development Finance Corporation ("DFC"). DFC's financing will enable the Company to expedite completion of Scale-up batches, to support the supply of hexavalent vaccine to U.N. agencies for childhood immunization globally. The process was delayed due to change in the U.S. Government which has now cleared the proposal. The process of legal due diligence and finalization of financing documents for the said long-term loan is now in advanced stage.

Vaccines Drug Product Facility at Baddi

The Company's state-of-the-art manufacturing facility for vaccine drug products, comply with the cGMP practices of the key International regulatory bodies like WHO cGMP standards. The Vaccine Formulation Facility at Baddi, Himachal Pradesh, which started its operations in the year 2008, comprises of two blocks. The production block is spread over approx. 2,800 M² constructed areas at each floor. The warehouse cum cold storage block measures approx. 4,702 M². The facility has two independent formulation suites and three filling lines for manufacturing of bacterial, viral and recombinant vaccines including live attenuated vaccines in pre-filled syringe (PFS) and in single dose and multi-dose vial presentations. The facility also has large lyophilization capacity for manufacturing lyophilized vaccines in vials. This facility is approved by Indian NRA and several other countries and is also pre-qualified by WHO for the pentavalent vaccine Easyfive-TT® and bOPV. The Quality control laboratories of the facility are equipped with an assortment of sophisticated analytical equipment for testing of vaccines and input materials to assure quality of the product at each stage of manufacturing. The warehouse facility is equipped with cold storage and deep freezers for cold chain maintenance and dispatch management of vaccines.

Pharmaceutical Formulations Facility at Baddi

Panacea Biotec Pharma's state-of-the-art pharmaceutical formulations facility at Baddi, Himachal Pradesh became operational in year 2006. The facility is equipped for bilayer tablets, complex sustained release coatings and delayed release coatings. The facility has received several certifications and accreditations from international regulatory authorities including USFDA, National Health Surveillance Agency (ANVISA), Ghana, Ukraine, Uganda, Saudi Arabia, Ethiopia, Zimbabwe, Kazakhstan, Tanzania, EAEU, Uzbekistan, WHO-GMP (CDSCO), etc.

Quality is a core guiding factor behind Panacea Biotec's decisions and actions. Panacea Biotec Pharma maintains a harmonized Pharmaceutical Quality System (PQS) that caters to all markets. Some of its pharmaceutical formulation products are routinely supplied to low-income countries under access programs through international agencies such as PAHO.

Panacea Biotec Pharma has dedicated and independent Quality Control facilities in the manufacturing facilities comprising of sample preparation with isolate or containment, wet lab, lab for atomic absorption spectroscopy, dissolution testing and stability testing as per ICH Guidelines, a packaging-material testing laboratory and a fully self-contained microbiology lab to carry out tests for microbial counts, microbiological assays and assessing environment controls.

Panacea Biotec Pharma's pharmaceutical manufacturing expertise lies in various Oral-solid, semi-solids and liquid oral dosage forms such as:

- Oral-solids - conventional tablets / capsules, controlled / delayed release / enteric coated tablets and capsules, tablet in tablet, tablet in capsule, multi layered capsules, hard gelatin / soft gelatin capsules, mouth dissolving / chewable tablets, beads encapsulation, coating (film, sugar, and functional), taste masking and fast-dissolving tablets;

- Semi-solids - ointments / creams / gels, transdermal drug delivery system; and
- Liquids - suspensions / syrups / solutions.

Cytotoxic / Oncology Facility at Baddi

Panacea Biotec Pharma's cytotoxic injectable formulation facility at Baddi, Himachal Pradesh, has dedicated filling lines for liquid & lyophilized injectables as well as pilot scale up batches complying with USFDA, EU and ROW cGMP norms.

Cytotoxic facility is equipped for manufacturing conventional and technology-based injections e.g. nano-particle and liposomal lyophilized products. This facility has been approved by Indian NRA, USFDA, Health Canada, Ukraine, Uganda, Saudi Arabia, Ethiopia, Zimbabwe, Kazakhstan, Tanzania, WHO-GMP (CDSCO).

The above facility continues to be under the warning letter issued by the USFDA. PBPL has undertaken several corrective and preventive measures to comply with the observations raised by USFDA. It has also engaged international consultants as part of its corrective and preventive action plan to ensure that the manufacturing facilities meet the required standards. It is regularly undertaking further corrective and preventive actions as per the commitments made to USFDA. Nevertheless, the supplies of existing products to US market are continuing and there is no material adverse impact on current business from the facility.

Both the above facilities i.e. Pharmaceutical Formulations Facility and Cytotoxic / Oncology Facility, at Baddi were also having accreditation from The National Institute of Pharmacy and Nutrition (OGYÉI) Hungary (EU). Following the inspection in January 2026, the said Authority issued a "Statement of non-compliance with Good Manufacturing Practice", thereby halting supplies of non-vital products. However, the supply of all critical products is allowed. PBPL has implemented comprehensive corrective and preventive actions (CAPA) and the re-inspection is planned in September 2026.

Nutrition Products Manufacturing Facility at Baddi

Panacea Biotec Pharma has set up a manufacturing facility to manufacture nutrition products at Baddi, Himachal Pradesh which became operational in April 2023. This manufacturing facility currently has installed capacity of ~6 tons per day.

Panacea Biotec Pharma's paediatric nutrition products under the brand name, ChilRun full®, ChilRun®7+, ChilRun full® No Sucrose, are being manufactured at this facility.

The facility holds valid accreditations and certifications from FSSAI (Food Safety and Standards Authority of India), A+ rating in external FSSAI Schedule IV Audit and is audited by the external third parties and found compliant to the GMP Codex Standard.

Panacea Biotec Pharma also plans to set up facilities for new dosage forms of nutrition products in future.

RESEARCH & DEVELOPMENT

Panacea Biotec is a progressive & innovative biotechnology company engaged in research & development, manufacturing and marketing operations across pharmaceuticals, vaccines, nutrition and natural or herbal products. The Company is guided by its vision of "Innovation in Support of Life" and strongly believes that innovation is important to the long-term success of the Company. Panacea Biotec specializes in complex generics, vaccines, and novel drug delivery platforms to offer higher value and better health outcomes for the patients, governments and overall society.

Panacea Biotec's research and development efforts have been its greatest strength. Its ambitions are backed by distinguished, ultra-modern, state-of-the-art R&D Center with around 75 scientists with deep roots within the academic community in important clusters in India, USA and Germany among other countries. Additionally, Panacea Biotec is collaborating with leading research organizations across the globe for the development of novel high impact products.



Pharmaceutical Formulations Facility, Baddi, Himachal Pradesh



Dr. Rajesh Jain, CMD with team members at corporate office on Annual Day

One-Stream R&D Center at New Delhi

Panacea Biotec's OneStream Research and Development (R&D) Centre ("ORC") is a state-of-the-art facility to cater to all the modern aspects of vaccine development. This center has advanced genetic engineering, molecular biology, bacterial culture, animal cell culture, small scale and pilot scale fermentation, purification & analytical characterization and formulation development capabilities. It is equipped with all the necessary infrastructure and scientific manpower to carry out innovative research in the areas of antigen design, expression of antigen in a suitable host system and its purification. This is followed by formulation of antigen with suitable adjuvant and immunological evaluation in animal model.

The Company has done pioneering work in the development of viral, recombinant, sub-unit and polysaccharide conjugate vaccines, using both mammalian and microbial expression platforms. In last one year, ORC has made significant progress in the development of several vaccines including a multi epitope nanoparticle based broadly protective beta coronavirus vaccine candidate. These programs have now progressed to preclinical toxicology stage. Each of these programs will significantly address the healthcare burden posed by these diseases and address concerns related to new and emerging pathogens. The R&D center has established a high-cell density E.coli platform for the production of recombinant antigens and proteins. This will help in developing recombinant molecules as for use as in prevention, therapeutics and as carrier protein for conjugated vaccine.

The R&D center has a strong team to develop conjugation chemistries for many polysaccharide-based vaccines such as for typhoid, meningitis, and many more in near future. The ORC team is also engaged in carrying out research for development of several other vaccines such as Meningitis, Malaria, Mpox and vaccine against anti-microbial resistant bacteria. These candidates are part of our future product pipeline.

A multi-epitope nanoparticle based broadly protective beta coronavirus (BPBC) vaccine candidate to protect against MERS, SARS-CoV-1 and SARS-CoV-2 is also being developed in ORC. Pre-clinical proof of concept studies for this candidate are completed and steps for clinical development are in progress. This research activity is supported by CEPI and is in collaboration with the Translational Health Science and Technology Institute (THSTI), an autonomous institute of the Department of Biotechnology, Ministry of Science and Technology, Government of India. A stage gate review from progression of development of BPBC candidate from preclinical to clinical stage was conducted by CEPI, which was successful. Phase I clinical study for BPBC vaccine candidate is planned to be initiated in second half of current financial year.

The Company is also continuously exploring collaboration opportunities with various institutions for development of novel products, including plant-based protein as nutrition supplement. Collaborative research project 'DENSTAR' for clinical development of DengiAll® in Africa was recently launched. This project involves 9 leading organizations from USA, EU, Africa and Korea, in addition to Panacea Biotec. DENSTAR project has received €11.1 million funding support

from EU (EDCTP3 Program), and one of the objectives of the program is to support marketing authorization of DengiAll® in Africa for use in adults and children.

Vaccine Formulation R&D Centre at Lalru

The Company's vaccine formulation research and development center at Lalru, Punjab is equipped with all the necessary infrastructure and scientific manpower to cater to all the modern aspects of vaccine formulation development. In past various manufacturing process were designed to handle aseptic and blending operations for several vaccines including Easyfive-TT®, EasySix®, EasyFourPol®, DengiAll®, NuCoVac®-11 and TedShot®, etc.

SAMPANN R&D Centre at Lalru

SAMPANN R&D Centre of Panacea Biotec Pharma Ltd. at Lalru, Punjab continues to focus on Research & Development in various therapeutic areas with a constant focus on developing difficult to develop formulations focused on chronic and super speciality therapeutic areas. Panacea Biotec has deep experience in developing innovative drug delivery-based products that enjoy considerable brand equity amongst physicians.

Panacea Biotec's nanotechnology-based product PacliALL® (Paclitaxel bound in human albumin particles) was launched in 2011. At the time, it was the world's first generic for Abraxane, manufactured by Celgene, USA. This demonstrates the Company's ability to handle the most complex generics and deliver a high-quality product in constrained and challenging timelines.

In the field of pharmaceutical research, Panacea Biotec has developed different innovative technologies such as hydro gel based topical drug delivery system of peptides and herbal drugs, solid-solid dispersion for highly variable drugs, self-emulsifying drug delivery system (SEDDS) and controlled release drug delivery systems in different therapeutic areas.

SAMPANN is in the advanced stage of development of new products for US, Europe and ROW markets in the therapeutic segments of immuno-suppressant, diabetes and pain management, etc.



Mr. Ankesh Jain and Mr. Harshet Jain, Whole-time Directors along with marketing team during their visit at R&D Center, Lalru

Simultaneously, the SAMPANN R&D Centre has successfully diversified into research & development of consumer health and nutrition products. The Centre has successfully developed advanced nutrition products for the pediatric segment and is actively expanding its portfolio with innovative dosage forms, including baby cereals, bars, gummies and cosmetics. Beyond pediatric care, the Centre is developing personal care products for infants as well as comprehensive women's personal care and skincare products, including prenatal and postnatal care. Its research also focuses on related specialties such as gynecology and adult nutrition.

Besides this, the Centre multidisciplinary research also focuses on the development of specialized nutritional supplements tailored for global UNICEF initiatives.

Clinical Research

Clinical research is a critical function that guides clinical decisions based on facts and scientific data through clinical studies on vaccines and drugs that can affect the health and well-being of millions of people. Panacea Biotec continuously undertakes clinical trials (Phase I, Phase II and Phase III) for all its investigational new vaccines and drugs as well as bioequivalence studies (as per New Drugs and Clinical Trials Rules 2019) for its innovative and generic product portfolios across both vaccines and pharmaceutical products.



SAMPANN Drug Delivery Research and Development Centre, Lalru



Laxmi Pujan on the occasion of Diwali celebrations at Baddi

DengiAll® Phase III trial: The overall enrolment of study participants has been completed in December 2025. All 10,335 study participants, spread across 20 sites in India, have been administered with the single dose of the study investigational medicinal product (i.e. vaccine or placebo). Currently, the participants are being followed up for adverse events and fever surveillance. The vaccine is expected to be launched in 2027-28 subject to successful completion of the clinical trial and receipt of necessary regulatory approvals.

NuCoVac®-11 Phase II/III trial: All 446 study participants, spread across 5 study sites in India, have been administered with the 3-dose primary series (at 6, 10 and 14 weeks of age schedule) of either NuCoVac®-11 or the comparator vaccine in a 1:1 ratio. The dosing of last participant was completed in September 2025. The 'primary series' (3+0 schedule) Phase II/III study has been completed successfully and the report has been submitted to the DCGL. NuCoVac®-11 is expected to be launched in current financial year subject to receipt of necessary regulatory approvals.

Intellectual Property

Panacea Biotec has a strong portfolio of intellectual property in the form of patents, trademarks and copyrights in both vaccines and pharmaceutical formulations business. As of March 31, 2026, Panacea Biotec Group has filed over 496 patent applications in over 65 countries including India which include 22 patent applications pending grant and patent applications which were prosecuted.

As of March 31, 2026, Panacea Biotec Group has been granted over 466 patents globally out of which 42 are active. Some of the countries where patents have been granted are India, USA, Germany, Mexico, Brazil, Japan, Russia, Canada, China, Sri Lanka, Ukraine, South Korea, Nigeria, Indonesia, Malaysia, Philippines, Vietnam and the African Regional Intellectual Property Organisation (ARIPO) covering 14 countries, etc.

Panacea Biotec Group has filed ~746 trademark applications for registrations, out of which ~233 have been registered in India, ~189 have been registered outside India and ~324 applications are pending registration as on March 31, 2026. Further, the Group has ~103 registered copyrights as on March 31, 2026.

With a view to expand its product portfolio in nutrition range of products, PBPL has acquired trademarks, copyrights, patents, designs, domain names, product formulations and technical know-how, customer database and digital marketing assets, etc. inter-alia, in relation to the brand name,



On the occasion of Diwali celebration at Baddi

Power Gummies. PBPL has rights over ~188 trademark applications with respect to gummy based nutrition products, out of which ~97 have been registered in India, ~18 have been registered outside India, and ~73 applications are pending registration as on March 31, 2026.

Human Resources

Our employees drive our vision, mission, and values and are the driving force behind our growth across all business segments. Through meaningful engagement and development, we help employees thrive, work with purpose, and support sustainable success. Our programmes foster an inclusive, supportive environment that values diversity, well-being, continuous learning, and workplace safety. Through our philosophy of "People First", we create a culture that supports individual growth and organization growth.

We advanced our talent acquisition transformation by strengthening internal capabilities in talent scouting and market intelligence, reducing reliance on external vendors. Our digital platforms improve transparency, streamline hiring, and enhance candidate and on boarding experiences.

Our structured onboarding program, 'Pravesh' ensures smooth cultural and functional integration of new joiners, while customized managerial and leadership tracks prepare future-ready managers and leaders. For existing employees, the 'Unnati' program provides performance insights, identify skill gaps and guides targeted development interventions.

We continued strengthening our talent ecosystem by moving toward a skill-based organisation that supports business agility and employee growth that improved visibility into roles, skills, and personalised career paths. Our IJP (Internal Job Posting Program) expanded access to opportunities, accelerated internal mobility, and supported career movement across job families. Together, these efforts are building a high-performance, future-ready workforce. We continue to provide opportunities for employees to re-skill, up-skill, multi-skill and multi-task.

A defining shift in our journey has been the move from talent fishing to talent farming. Our focus is on building managerial and leadership bench strength from within, through development journeys and preparing people for broader responsibilities and this is done through campus hiring at our manufacturing plants and R&Ds with a robust 6 months' induction program followed by project-based assignments to broaden their exposure across functional areas with defined deliverables to be achieved in subsequent 6 months to ensure

that we grow them horizontally and vertically. To ring fence key talent, we provide additional job responsibilities with suitable additional role allowances fostering both horizontal and vertical growth.

Learning and development remained central to our people strategy. Leadership Development Program (LDP) through partnering with management institutes strengthens the bench for senior leadership roles, including site head in our Manufacturing Operations unit. It develops end-to-end perspectives, leadership capabilities, operational excellence, and digital skills to prepare participants to lead plant operations and other functions. The program also focuses on developing confidence in strategic judgement, financial acumen, people leadership, and changing execution through rigorous, business-integrated learning.

With changing market dynamics, and emerging technologies, building a future-ready workforce that embraces change and improves productivity is essential. We empower employees through structured programs like LinkedIn Learning, on-the-job training, coaching, and access to in-house purchased Artificial Intelligence sites.

Our Performance Management System – “3+1” KRAs and KPIs links organisational mission, objectives, strategy and tactics-(MOST) with individual deliverables to achieve shared goals. Managers and team members are encouraged to meet regularly to review performance, learning outcomes, and progress against targets.

A 360-degree feed forward is conducted for second line manager and above, with feedback gathered anonymously from self, reporting manager, peers, and subordinates and cross functional team members (peers). At year-end, managers conduct a formal review of goal achievement with subordinates. They provide feedback on both results and behaviour, while employees can share perspectives and seek clarification.

At Panacea Biotec, culture is not a statement, it's an experience we live. We create a culture of high and differentiated performance where people continue to push boundaries of growth and self-development. We continue to cultivate a workplace where empathy drives leadership, collaboration and co-ordination fuels performance, and every individual feels seen, heard, and valued. We embed human engagement in every interaction. Our autonomous team with self-nominated members led by self-nominated CAPTAINS continue to perform at the highest level and ensure quality of products manufactured with clear objective of 'Patient Safety'.



On the occasion of New Year celebrations at the Delhi office

Our culture encourages experimentation without fear, dialogue without hierarchy, and learning without limits. Through purpose-led engagement, inclusive rituals, and values that go beyond walls, we have created a vibrant, emotionally intelligent ecosystem. It is more than a workplace, it is where we grow, thrive, and belong. That is the Panacea Biotec culture.

Diversity and inclusion remain a key organizational priority. Currently ~11.3% of our total manpower comprises of women which has increased from 9.2% during previous financial year. We have implemented initiatives to support women throughout their careers such as work from home during early pregnancy and post-delivery complications wherever job roles permit; targeted hiring at entry and managerial levels. Our bench hiring in manufacturing facilities and R&D Centres at entry level in executive cadre supports absorption of qualified women into core roles, reinforcing our inclusive talent acquisition strategy.

As on March 31, 2026, Panacea Biotec Group had a total workforce of ~2,360 employees (as against ~2,504 as on March 2025), of which ~1,717 are skilled employees engaged in corporate, managerial, sales, manufacturing and R&D functions and ~258 were contractual employees. The functional break-up of total employees is as follows:

- R&D professionals: ~149 (including ~75 scientists)
- Production, Quality Control & Quality Assurance: ~937
- Sales, Marketing & Logistics: ~397
- Other functions: ~877

Out of the total manpower, ~1,054 employees (including ~101 contractual employees) were part of Panacea Biotec Pharma Limited.

We continued to leverage digitalization of processes leading to reduced human intervention and are closely tracking productivity metrics across business units to ensure better delivery of business. We have implemented ValGenesis, an enterprise-grade, AI-enabled digital validation lifecycle management platform. We have improved and added additional features to our own internally developed tool - NIKHAAR - our digital capability to monitor sales productivity and provide data analytics to employees engaged in sales & marketing to take informed and timely decisions. Darwin Box, Human Resource Management System (HRMS) is running successfully.



On the occasion of Holi celebration at Lalru



Employees showcased their creativity by creating rangolis on the occasion of Diwali

We also believe in building strong emotional connections at the workplace. Monthly Birthday celebrations, festive events, recognition through appreciation certificates, job rotation opportunities reflect our commitment to employee engagement and holistic development.

At Panacea Biotec, we remain committed to create a workplace where excellence, inclusivity, human engagement come together - driving sustainable growth for our people and our business.

Strategic partnerships and collaborations

Panacea Biotec has established relationships with various key business associates, including institutional customers for its products, strategic partners for entry into new international markets and domestic & international partners who market / distribute its products across several countries in the world. Panacea Biotec has a long-standing relationship with the UNICEF, PAHO and the Government of India, which has helped in participating in immunization programs in India and globally.

Panacea Biotec's collaborations has enabled it in developing innovative, cost effective and quality vaccines and helped in achieving its goal of providing cost-effective vaccines to the global population. Panacea Biotec's collaborations include partnership with the National Institutes of Health, USA for development and commercialization in Asia and African countries of its licensed tetravalent dengue vaccine candidate, DengiAll® and its partnership with Serum Institute and its subsidiary for supply of one of the key constituents for the EasySix® vaccine and for introduction of hexavalent vaccine in national immunization programs in developing countries.

The Company has also collaborated with Indian Council of Medical Research (ICMR), Government of India for Phase – III clinical trial of DengiAll®. Panacea Biotec has entered into key partnerships with global pharmaceutical companies for marketing of pharmaceutical formulations in USA, Canada,

EU and other international markets, which has helped Panacea Biotec in expanding its reach and access to new regulated markets.

Panacea Biotec will continue to strengthen its business development team and leverage its strengths in product development and navigate the regulatory landscape to capitalize on opportunities across new-age technologies that will strengthen and reposition its portfolio in the coming years.

Internal Audit & Internal Financial Control System

Panacea Biotec has a comprehensive internal control system that commensurate with its size and nature of operations of the Group entities. This system spans across the organization including all the manufacturing and research & development facilities, warehouses, CFAs & sales offices besides corporate office.

The internal financial controls have been developed and implemented at each business process across the Company and PBPL. The user level responsibilities are constantly shared with key users for their implementation and compliance. Checks & balances and control systems have been established to ensure that assets are safeguarded, utilized with proper authorization and recorded in the books of account. There is a proper definition of roles and responsibilities across the organization to ensure information flow and monitoring.

The internal audits are conducted periodically by an internationally renowned independent audit firm PriceWaterhouseCoopers Services LLP (PwC), the internal auditors of Panacea Biotec. The Audit Committee of Panacea Biotec actively reviews the adequacy and effectiveness of internal controls, internal audit systems and advises improvements as may be required. Post audit follow-ups are carried out to ensure identified risks are addressed and recommendations of the Audit Committee are implemented.

Panacea Biotec has established and maintained adequate and effective internal financial controls over financial reporting (IFCoFR) in accordance with the framework. Panacea Biotec with the help of the independent Internal Audit firm viz. PwC has performed an overall design assessment of the business processes as part of the Internal Financial control reviews. This includes review of policies and procedures adopted by Panacea Biotec for ensuring the orderly and efficient conduct of its business and fixing responsibility against all the controls.

The design assessment was followed up by the management testing of the controls across processes.



On the occasion of Annual Day celebration at Lalru, Punjab

FINANCIAL PERFORMANCE

Summarized Consolidated Balance Sheet

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Assets:		
Fixed assets (net)	7,196.28	6,949.63
Non-current Financial assets	120.25	61.50
Other non-current assets	174.75	121.59
Current assets	5,130.49	5,764.74
Total Assets	12,621.77	12,897.46
Equity & Liabilities:		
Total Equity	8,348.35	8,347.86
Minority Interest	(59.56)	(41.70)
Non-current liabilities	846.05	921.37
Current liabilities	3,486.93	3,669.93
Total Liabilities	12,621.77	12,897.46

Fixed Assets: Fixed Assets include property, plant & equipment, investment property and intangible assets. The net fixed assets have increased to ₹7,196.28 million from ₹6,949.63 million as at the end of previous financial year, mainly on account of capital expenditure incurred on the ongoing expansion project at the Company's drug substance manufacturing site at Lalru, Punjab and modification of the Oncology facility of Panacea Biotec Pharma Limited at Baddi, Himachal Pradesh.

Non-current Financial Assets: Non-current financial assets include long-term investments, loans and other long-term financial assets. The non-current financial assets as of March 31, 2026, have increased to ₹120.25 million from ₹61.50 million as at the end of previous financial year, mainly due to increase in bank deposits having maturity above 12 months and security deposits.

Other Non-Current Assets: Other non-current assets include deferred tax assets and other non-current assets. The non-current assets as of March 31, 2026, increased to ₹174.75 million from ₹121.59 million as at March 31, 2025, mainly due to increased advance taxes during the year.

Current Assets: Current assets include inventories, trade receivables, cash & cash equivalents, other bank balances, short-term loans and other current assets. Total current assets as of March 31, 2026, have reduced to ₹5,130.49 million as compared to ₹5,764.74 million as at the end of previous financial year, mainly due to decrease in cash & bank balances and the value of inventories.

Total Equity: Total Equity represents Equity Share Capital and other Equity. Total Equity marginally increased to ₹8,348.35 million as at March 31, 2026, as compared to ₹8,347.86 million as at March 31, 2025.

Non-Current Liabilities: Non-current liabilities include long-term borrowings (excluding current maturities), provisions and other non-current liabilities. The non-current liabilities as of March 31, 2026, have decreased to ₹846.05 million as compared to ₹921.37 million as of March 31, 2025, mainly on account of lower income received in advance during the financial year under review.

Current Liabilities: Current liabilities include short-term borrowings, trade payables and other current financial liabilities (including current maturities of long-term borrowings). The current liabilities as at March 31, 2026, have reduced to ₹3,486.93 million as compared to ₹3,669.93 million as at March 31, 2025, mainly due to reduction in trade payables.

Summarized Consolidated Statement of Profit & Loss

(₹ in million)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from operations	6,397.74	5,590.94
Materials consumed	2,804.83	1,995.37
Employee benefits expense	1,807.80	1,730.51
Other expenses	1,831.71	2,124.18
Earning before Interest, tax, depreciation and amortizations (EBITDA)	(46.60)	(259.12)
Finance Costs	60.45	38.76
Depreciation and amortization expense	330.60	348.14
Other Income	169.00	206.60
Profit / (Loss) before tax and exceptional items	(268.65)	(439.42)
Exceptional items	194.96	359.94
Profit / (Loss) Before Tax	(73.69)	(79.48)
Provision for Taxes (including deferred tax)	(2.06)	7.71
Profit / (Loss) after Tax	(71.63)	(87.19)
Other comprehensive income (net of tax)	54.26	11.10
Total comprehensive income	(17.37)	(76.09)
Basic and Diluted EPS*	(0.88)	(1.37)

*Earnings / (Loss) per Share in ₹ per Equity Share of ₹1

Revenue from Operations: The consolidated revenue from operations has increased to ₹6,397.74 million for financial year 2025-26 as compared to ₹5,590.94 million for previous financial year. The revenue from sales of products and services has increased to ₹6,099.67 million during financial year 2025-26 as against ₹4,926.00 million during previous financial year, mainly due to higher sales of bivalent oral polio vaccine to UN agencies and Government of India. The other operating revenue decreased to ₹298.07 million during financial year 2025-26 as against ₹664.94 million during previous financial year. The other operating revenue during previous financial year were higher mainly on account of recognition of higher grant income and receipt of incentive under the Production Linked Incentive Scheme for Pharmaceuticals of the Govt. of India.

Other Income: Other income declined to ₹169.00 million during financial year 2025-26 as compared to ₹206.60 million for previous financial year, mainly due to lower interest income and forex gain.

Materials Consumed: Materials consumed include consumption of raw & packing materials and finished goods purchased during the year. The materials consumed were ₹2,804.83 million for financial year 2025-26 as against ₹1,995.37 million for previous financial year. The materials consumed were higher mainly due to higher sales as explained above and change in product mix.

Employee benefits expenses: The employee benefits expenses have increased to ₹1,807.80 million for financial year 2025-26 from ₹1,730.51 million for previous financial year, primarily on account of annual increments.

Other Expenses: Other expenses have decreased to ₹1,831.71 million for financial year 2025-26 as compared to ₹2,124.18 million for previous financial year, primarily due to reduction in sales promotion expenses, consumption of stores & spares, power & fuel, legal & professional charges and travelling & conveyance expenses during the year under review.

EBITDA (Earning Before Interest, Tax, Depreciation and Amortizations): EBITDA loss has decreased to ₹46.60 million or financial year 2025-26 as against EBITDA loss of ₹259.12 million during previous financial year. The decrease in EBITDA loss is mainly on account of higher vaccine sales.

Finance costs: Finance costs comprising of interest and bank charges have increased to ₹60.45 million during financial year 2025-26 from ₹38.76 million for previous financial year.

Depreciation and amortization expenses: Depreciation and amortization expenses were ₹330.60 million for financial year 2025-26 as against ₹348.14 million for previous financial year.

Exceptional items: Exceptional items represent recognition of the deferred revenue related to the sale of domestic pharmaceutical brand portfolio of PBPL in 2022 and gain on one-time settlement of dispute with Apotex Inc. The deferred revenue recognised during financial year 2025-26 was ₹109.25 million as compared to ₹359.94 million for previous financial year. The exceptional gain on one-time settlement of dispute during the year was ₹85.71 million.

Profit / (Loss) before Tax: The Group incurred loss before tax of ₹73.67 million for financial year 2025-26 as against loss of ₹79.48 million for previous financial year, because of the reasons as explained above.

Profit / (Loss) after Tax: The total loss after tax has reduced to ₹73.69 million for financial year 2025-26 as compared to loss after tax of ₹87.19 million for previous financial year, because of factors discussed above.

Earnings per Share: The total basic and diluted loss per share was ₹0.88 for financial year 2025-26 as against loss per share of ₹1.37 million for previous financial year.

Summarized Consolidated Statement of Cash Flow

(₹ in million)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Cash & Cash Equivalent at the beginning	821.25	471.74
Net Cash flows from Operating Activities	166.94	(273.69)
Net Cash flows from Investing Activities	(404.95)	649.84
Net Cash flows from Financing Activities	(10.56)	(26.64)
Cash & Cash Equivalent at the end	573.07	821.25

Cash Flow from Operating Activities: Net cash generated in operating activities was ₹166.94 million in financial year 2025-26 as compared to cash utilisation of ₹273.69 million in previous financial year. The net cash generated in operating

activities in financial year 2025-26 was mainly on account of lower investment in working capital during the year under review.

Cash Flow from Investing activities: Net cash used in investing activities was ₹404.95 million for financial year 2025-26 as compared to generation of ₹649.84 million for previous financial year. During financial year 2025-26, the net cash utilisation for investing activities was higher mainly due to higher investments in bank deposits for margin money for opening Letter of Credits for purchase of materials.

Cash Flow from Financing Activities: Net cash used in financing activities was marginally lower ₹10.56 million in financial year 2025-26 as compared to ₹26.64 million in previous financial year.

Financial Ratios

The financial ratios for financial year 2025-26 and their comparison with previous year including the reasons for variance wherever applicable, are given in Note 53 to the Standalone Financial Statements forming part of the Annual Report and hence not repeated here for the sake of brevity.

Opportunities and Outlook

Panacea Biotec operates in a highly regulated and competitive environment across multiple geographies. Panacea Biotec is engaged in research, development, manufacturing and marketing of a wide range of branded and generic pharmaceutical formulations, novel vaccines and nutrition & baby care products. The management continues to remain committed to grow the Company's business building on its strong foundation and executing its pipeline of products.

SWOT Analysis

Strengths

- Leading biotechnology company with over 30 years' experience in development, manufacturing and commercialization of vaccines and pharmaceutical formulations
- Significant focus on exports
- State-of-the-art cGMP compliant manufacturing facilities
- Proven research & development and clinical research capabilities with multi-disciplinary R&D Centers
- Robust product pipeline of promising niche products to fuel long-term growth
- Extensive sales and distribution network
- Strategic partnerships and collaborations
- Strong promoter group supported by experienced and qualified management team

Weaknesses

- Long gestation period on R&D Projects: R&D projects involve longer development time and medium to high investment as is the norm in the vaccine and pharmaceutical industry. As a result of this, the present profitability is affected whereas the output may come in medium to long term future periods.



Plantation by Dr. Venkatesh Sarvasiddhi, Director during visit at Lalru

- High dependence on institutional business in Vaccine Segment: A significant part of the revenue from vaccine business comes from tender driven institutional business. Panacea Biotech has decided to focus on expanding into private markets in India as well as in ROW countries through strategic tie-ups to have a diverse sales base and reduce its dependence on institutional business.
- Revenue concentration on few products: In vaccine segment, the revenue generation is mainly dependent on three products i.e. pentavalent, hexavalent vaccine and bivalent polio vaccine. Any future disruption in any of these products may impact the future financial performance. The Company has expedited development of new products to expand the product portfolio and drive future growth.

Opportunities

- To improve capacity utilization: Panacea Biotech is working on entering into manufacturing collaborations with third parties to increase capacity utilization of its manufacturing facilities.
- New products in pipeline for commercial launch: Panacea Biotech has several products under late stage of development in vaccines as well as pharmaceuticals.
- Addressing unmet need: PBPL's entry in nutrition segment will help in future growth.

Threats

- Dependence on few imported suppliers in drug substance. However, Panacea Biotech is focusing on reducing its dependence on foreign suppliers by developing in-house drug substances.
- Increasing Regulatory Compliances and Costs: International regulatory agencies like USFDA have started exercising greater controls and compliances. As a result of this, the cost of compliance has also started increasing. Panacea Biotech has been following the guidelines prescribed by WHO, USFDA and other regulatory agencies and save and except, recent observations / warning letter from USFDA and EU Authority which has been suitably responded / acted upon, Panacea Biotech has successfully passed several regulatory audits over the years.
- Pricing pressure amid intense competition in the pharmaceutical industry across the globe. The Company



Plantation by African Medicine Regulatory Harmonization officials during visit at Baddi

remains focused on complex generic and vaccines having lesser competition threat.

- Risk of all R&D initiatives not leading to commercially viable and successful products.

Future Growth Strategy

Vaccine Business

- Scaling up vaccine sales in private market in India including through launch of new vaccines.
- Increasing participation in institutional vaccine business with UNICEF, PAHO etc.
- Expediting development of tetravalent Dengue vaccine DengiAll®, Pneumococcal Polysaccharide Conjugate Vaccine NuCoVac®-11 and other vaccines and launch thereof in India and Institutional markets.
- Expanding manufacturing capacities to meet the future growing demand of vaccines.
- Supply of hexavalent vaccine to UNICEF, PAHO and other international markets.

Pharma and Nutrition Business

- Growth in exports of pharmaceutical formulations to ICH market, emerging markets in LATAM and Middle East.
- Launch of Paclitaxel protein bound particles for injectable suspension, Cyclosporine and other products, which are currently under approval, in USA.
- Filing more ANDAs / dossiers in USA, Europe and other emerging markets.
- Scaling up the nutrition business by launching new products and new customer segments

Corporate Social Responsibility

Panacea Biotech recognizes Corporate Social Responsibility as one of its core values by making continuous efforts on spreading awareness on critical health issues impacting the quality of life. Panacea Biotech has been over the years, pursuing Corporate Social Responsibility by putting continuous efforts in the areas of health, education and patient awareness / assistance programs towards the development of a happier and healthier society.

Safety, Health and Environment Protection

The Company operates with a deep commitment to environmental stewardship, sustainability, and the well-being



Safety training being provided to employees at Baddi

of people. We are strongly committed to business practices that foster socially, environmentally, and economically responsible growth. Our approach aligns closely with global Environmental, Social, and Governance (ESG) standards, ensuring that we integrate sustainability at every level of our operations.

A dedicated Environment, Occupational Health, and Safety (EOHS) department oversees these critical areas, supported by independent consultants who conduct thorough evaluations of our EOHS activities. Our EOHS policy ensures a safe and healthy working environment for employees, contractors, sub-contractors, visitors, and surrounding communities. Through these measures, we are making significant progress towards our long-term vision of Target Zero Harm: Zero Injuries, Zero Occupational Harm, and Zero Environmental Impact.

Panacea Biotec has successfully attained certification in Integrated Management Systems at its manufacturing facilities at Lalru and Baddi. These certification include:

- ISO 14001:2015 (Environmental Management): Demonstrating our commitment to minimizing environmental impacts.
- ISO 45001:2018 (Occupational Health & Safety): Ensuring a safe and healthy workplace for all stakeholders.

Key Initiatives: To drive EOHS and sustainability goals forward, Panacea Biotec implements the following strategic initiatives:

- Implementation of an EHS management system that promotes proactive compliance with environmental, health, and safety standards, establishes uniform expectations across all operations, and drives continuous improvement in EHS performance.



Yoga session at corporate office, New Delhi



Fire Safety drill at Baddi

- Deployment of EOHS regulatory surveillance tools in all countries where we operate significantly.
- Proactive EOHS compliance assessments, including self-evaluations and internal audits, with corrective and preventive actions promptly addressed and tracked.
- Setting targets to reduce environmental impact, including energy and water conservation, waste reduction, recycling, and reuse initiatives as part of our sustainability roadmap.
- Transitioning the Baddi site into a certified Zero Waste to Landfill facility to significantly reduce our environmental footprint.
- Collaborating with Grant Thornton Bharat (GTB) to establish benchmarks for the Science Based Targets initiative (SBTi) and long-term sustainability development.
- Participation in the EcoVadis assessment, reinforcing our commitment to sustainability and ESG performance across four key pillars: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement.
- Launch of 'Suraksha' software, an in-house digital platform for real-time reporting and monitoring of workplace hazards and near-misses, enhancing transparency and proactive safety management.
- Recognition through the 3-Star Award from Vision Zero India, affirming our excellence in occupational safety, health, and employee well-being.

Furthermore, the Company actively integrates ESG considerations into its overall strategy and operations. Through initiatives aligned with the United Nations Sustainable Development Goals (SDGs), we strive to minimize environmental impact, enhance social well-being, and uphold strong governance practices.

As part of our auditing and improvement processes, we identify and address critical areas requiring immediate corrective action. We continuously strive to prevent adverse health impacts on employees through regular health awareness sessions, comprehensive medical facilities, and robust insurance benefits.

Through these comprehensive measures, we continue to strengthen a culture of safety, sustainability, and social responsibility, empowering our workforce and creating long-term value for all stakeholders.

Note: As a result of rounding off adjustments, the figures/percentages in a column in various sections in the Annual Report may not add up to the total for such columns.

Directors' Report

Dear Members,

Your Directors take pleasure in presenting the 42nd Annual Report on the business and operations of the Company together with the Audited Standalone and Consolidated Financial Statements and the Auditor's Reports thereon for the financial year ended March 31, 2026.

Financial Results

The highlights of standalone and consolidated Financial Results of the Company are summarized below:

(₹ in million)

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Revenue from operations	4,134.92	3,098.55	6,397.74	5,590.94
Other Income	180.03	166.18	169.00	206.60
Total Income	4,314.95	3,264.73	6,566.74	5,797.54
Profit / (Loss) before Interest, Tax, Depreciation & Amortization (EBITDA)	(178.32)	(69.31)	(46.60)	(259.12)
Profit / (Loss) before exceptional items and tax	(438.79)	(260.57)	(268.65)	(439.42)
Exceptional items	-	-	194.96	359.94
Profit / (Loss) before Tax (PBT)	(438.79)	(260.57)	(73.69)	(79.48)
Profit / (Loss) after Tax (PAT)	(299.08)	(152.27)	(71.63)	(87.19)
Total Comprehensive Income / (loss) for the year	(287.60)	(151.74)	(17.37)	(76.09)

Performance Highlights

During the financial year ended March 31, 2026, your Company earned revenues from operations of ₹4,134.92 million as against ₹3,098.55 million during the previous financial year. The increase is mainly on account of higher sales of bOPV vaccine to UN agencies and Government of India.

The Company's consolidated revenues from operations have increased to ₹6,397.74 million during the financial year under review as against ₹5,590.94 million during the previous financial year.

On a standalone basis, the Company has registered negative EBITDA of ₹178.32 million during the financial year under review as against negative EBITDA of ₹69.31 million during previous financial year. The Company has incurred losses before tax of ₹438.79 million as against losses before tax of ₹260.57 million during previous financial year.

The Company has incurred consolidated EBITDA loss of ₹46.60 million as against loss of ₹259.12 million during previous financial year. The decrease in EBITDA loss is mainly on account of higher vaccine sales. The consolidated loss before exceptional items and tax was ₹268.65 million during the financial year under review as compared to loss of ₹439.42 million during previous financial year, mainly due to the reasons as stated above. The consolidated loss before tax was ₹73.69 million during the year under review as against loss before tax of ₹79.48 million during the previous financial year, after considering exceptional income of ₹194.96 million from recognition of deferred revenue from the sale of pharmaceutical formulation brands in 2022.

The Company's consolidated loss after tax and exceptional items for financial year under review has decreased to ₹71.63 million as against ₹87.19 million during previous financial year due to the above stated reasons.

A detailed discussion on the industry overview, external environment & economic outlook and the Company's operations for the financial year ended March 31, 2026, is given in the Management Discussion and Analysis Report forming part of the Annual Report.

Credit Rating

During the year under review, the Company has neither issued any debt instruments nor availed any bank facility and has consequently not carried out any credit rating.

Dividend

In view of the losses during the financial year under review, the Board of Directors has recommended passing over of dividend on the Equity as well as Preference Shares of the Company.

In compliance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Company has in place a Dividend Distribution Policy which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders. The same may be accessed on the Company's website at the link: <https://www.panaceabiotec.com/en/section/information-repository/policy>. Further, there has been no change to any parameters in this policy during the year.

Transfer to Reserves

Owing to losses, the Board of Directors has not proposed any transfer of amount to reserves during the financial year under review.

Share Capital

There has been no change in the capital structure of the Company during the financial year under review. The issued, subscribed and paid-up share capital of the Company as

on March 31, 2026, remains unchanged at ₹222.62 million (comprising of ₹61.25 million equity share capital divided into 61,250,746 Equity Shares of ₹1 each and ₹161.37 million preference share capital divided into 16,137,000, 0.5% Non-Convertible Cumulative Non-Participating Redeemable Preference Shares of ₹10 each). Similarly, the authorised share capital of the Company also remains unchanged at ₹1,223.37 million (comprising of 125,000,000 Equity Shares of ₹1 each and 109,837,000 Preference Shares of ₹10 each).

The Company has neither issued any shares or other convertible securities, nor any equity share with differential rights / sweat equity shares under Rule 4 & Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014. The Company has also neither issued any debentures, bonds, non-convertible securities / warrants nor redeemed any debentures or preference shares, during the year under review.

Significant Events of the Company and its material subsidiary during the year under review / current year

The Company has, from time to time during the year under review and thereafter, informed its stakeholders about the key developments of the Company and its material subsidiary that took place, by disseminating necessary information to the stock exchanges and through various other means of communication.

Some of the key events held during the year under review and thereafter are mentioned below:

- i. Development of Novel Tetravalent Dengue Vaccine "DengiAll®": The Company had collaborated with Indian Council of Medical Research ("ICMR") in year 2022 for undertaking Phase III clinical trial for DengiAll®, a single dose live-attenuated tetravalent vaccine against dengue fever in adults. The Company had successfully manufactured 3 exhibit batches of drug substances & drug product and the same was released by Central Drug Laboratory (CDL), Kasauli following which the Drug Controller General of India (DCGI) gave necessary permission to undertake the Phase III clinical trial in India. The Phase III clinical trial for DengiAll® in adults, was initiated in August 2024. The clinical trial was successfully conducted at 20 sites with ~10,335 study participants across India. The Company shall continue to monitor each participant, post administration of the Investigational Medicinal Product (i.e., vaccine or Placebo), for a period of two years to examine the efficacy and immunogenicity of the vaccine. The vaccine is expected to be launched by 2027-28 post completion of the clinical trial and subject to receipt of necessary regulatory approvals.
- ii. Receipt of Letter of Award from UNICEF for supply of bivalent oral polio vaccine (bOPV): During the year under review, the Company has received an additional award from United Nations International Children's Emergency Fund (UNICEF) for supply of bOPV worth ~₹440 million in Q3 calendar year (CY) 2025. This additional award is in continuation to the existing Letter of Award received from UNICEF last year for supply of bOPV worth ~₹1,270 million in CY2025.

The Company has also received 2 letter of awards from UNICEF for a long-term agreement starting from April 01, 2026, to March 31, 2030, for supply of:

- bOPV worth ~₹3,150 million for period of Q2 CY2026 and CY2027; and
 - bOPV worth ₹780 million in CY2028.
- iii. Receipt of Letter of Award from UNICEF for supply of Pentavalent vaccine, Easyfive-TT®: During the year under review, the Company has received an amended Award from UNICEF for supply of WHO pre-qualified fully liquid Pentavalent vaccine, Easyfive-TT® (DTwP-HepB-Hib) with an increased value of ~₹470 million during CYs 2026 and 2027. The Company has also received an additional award for supply of Easyfive-TT® worth ~₹330 million in the CY 2027.

This Letter of Award is in continuation to the existing long-term supply award received from UNICEF earlier for supply of Pentavalent vaccine, Easyfive-TT® (DTwP-HepB-Hib) worth ~₹8,130 million to UNICEF during CYs 2023-2027.
 - iv. Receipt of award from PAHO for supply of Easyfive-TT: During the year under review, the Company has received an award from Pan American Health Organization ("PAHO") for supply of Diphtheria-Tetanus-Pertussis-Hepatitis B-Haemophilus influenzae type B (DTP-HepB-Hib) Vaccine (Pentavalent) - Liquid (single dose) ("Easyfive-TT") worth ~₹410 million during CYs 2026 and 2027.
 - v. Receipt of Letter of Acceptance from CMSS for supply of bOPV: During the year under review, the Central Medical Services Society, Ministry of Health and Family Welfare, Government of India ("CMSS") has accepted the Company's offer for supply of bOPV worth ~₹1,272 million in several tranches over a period of 90 - 480 days, against the tender issued by it in this regard.
 - vi. Receipt of Letter of Award from CMSS for supply of Diphtheria and Tetanus Vaccine (Absorbed) for Adults and Adolescents IP: During the current year, the Company has received a letter of award from CMSS for supply of Diphtheria and Tetanus Vaccine (Absorbed) for Adults and Adolescents IP ("Td Vaccine") worth ~₹208 million from September / October 2026 till November / December 2028.
 - vii. Inclusion of EmulsiPan adjuvant in the CEPI Adjuvant Library: The Company got listed one of its adjuvant products, EmulsiPan in the Coalition for Epidemic Preparedness Innovations (CEPI) Library of adjuvants to support the scientific community in advancing vaccine and biotherapeutic development. EmulsiPan is an oil-in-water emulsion adjuvant and is produced by nano-emulsification of squalene along with surfactants and buffers. It is a ready-to-use sterile emulsion, supplied in a 10 ml. USP Type I glass vial for research purposes. It is designed for storage at 2-8°C and maintains stability for over 2 years under recommended conditions. EmulsiPan does not require any licensing fees - ensuring affordability and providing open access for vaccine developers. Research institutes and companies that are looking for adjuvants can now contact the Company for commercial or research programs.
 - viii. Launch of DENSTAR Project: On June 01, 2026, a collaborative research project, namely DENSTAR, which will work to advance the licensure of the dengue vaccine DengiAll® in sub-Saharan Africa (sSA) and to facilitate its broader global use has been launched. The DENSTAR

project is coordinated by the “Sclavo Vaccines Association”, a non-profit organization based in Siena (Italy) devoted to support vaccine research and development in developing countries. The DENSTAR consortium unites 10 Partners from 9 countries across Europe, Africa, the United States, India and South Korea which comprises of universities, research organizations, a biotech company and a non-profit organization, bringing together experts, researchers, regulators, healthcare practitioners. The Company being the developer of DengiAll®, a tetravalent dengue vaccine targeting all four virus serotypes and currently in late-stage development in India, is a key partner of the DENSTAR consortium. This diverse and complementary consortium embodies a great public-private partnership, fully aligned with the DENSTAR project's goal to promote broader use of DengiAll® in Africa and globally, contributing to equitable access to safe and effective dengue prevention tools.

- ix. Strategic expansion into Baby Care Products: The Company's wholly owned subsidiary, Panacea Biotech Pharma Limited (“PBPL”) has launched India's first 100% toxin-free and safe Baby Skin Care products (Baby Massage Oil, Baby Head to Toe Wash, Baby Daily Lotion and Diaper Rash Cream) under the existing brand name “NikoMom®” and Infant Milk Substitute (IMS) product under the brand name “Staart® Prime” with Stages 1 and Stages 2-3-4. These new products range falls under the Baby skin care and infant milk substitute category and is aimed currently at serving the domestic market. With a strong foundation in science and research, PBPL aims to offer well-researched, high-quality products that support infant health beyond vaccination.

Also, PBPL's scientifically formulated oral nutritional supplement - ChilRun full® has demonstrated considerable success in enhancing childhood growth, especially among ones at risk of malnutrition, according to the results of a comprehensive 90-day nationwide post-marketing observational study, conducted by PBPL.

- x. Settlement of Dispute with Apotex: The Parties have executed a Settlement Agreement on July 09, 2025, recording full and final settlement of the disputes forming part of the arbitration among Apotex Inc., the Company and its wholly-owned subsidiary, Panacea Biotech Pharma Limited.

Pursuant to the settlement, it has, inter-alia, been agreed among the Parties that:

- Apotex will pay US\$ 2.5 million within 30 days from the date of Settlement Agreement. This amount had already been received by PBPL as per the agreed terms;
- Apotex will also pay US\$ 2.5 million upon receipt of final USFDA approval of the ANDA that is the subject of the Collaboration Agreement for Paclitaxel Protein-Bound Particles for Injectable Suspension (Albumin-Bound) (“Paclitaxel”);
- the profit share for the supply by PBPL of Paclitaxel for Canada will be modified in a way that Apotex shall receive 65% of the Net Profits and PBPL shall receive balance 35% until such time that Apotex earns profit of US\$ 1.5 million from that supply, after which the profit share shall revert to 50:50;

- the profit share for the supply by PBPL of Paclitaxel for USA will be modified in a way that Apotex shall receive 60% of the Net Profits and PBPL shall receive balance 40% until such time that Apotex earns profit of US\$ 0.5 million from that supply, after which the profit share shall revert to 50:50.

The Tribunal has issued the consent award on September 12, 2025, recording the settlement terms and termination of the arbitrations pursuant to the aforesaid Settlement Agreement.

- xi. Site Inspection by National Centre for Public Health and Pharmacy, Hungary (“NCPHP”): NCPHP has conducted an inspection of the manufacturing facility of PBPL at Baddi, Himachal Pradesh, India in January 2026. Following the inspection, NCPHP issued a “Statement of non-compliance with Good Manufacturing Practice”, wherein NCPHP has considered that the Facility does not comply with the GMP requirements, resulting in revocation of all valid GMP certificates issued by NCPHP. NCPHP has proposed halting supplies of non-vital products, except those supplying patients being on treatment with oncology products.

However, officials of NCPHP did not observe any behaviour or manufacturing process that would pose risk to the quality of products already released. Further, PBPL is not supplying any oncology related products in European Union markets. PBPL has implemented comprehensive corrective and preventive actions (CAPA) and has requested for re-inspection at the earliest possible opportunity to restore the GMP Certificates.

Apart from the updates mentioned above and disclosed elsewhere in the Annual Report, there were no significant events during and after the end of the financial year ended March 31, 2026.

Employee Stock Options

The Company has an approved Employee Stock Option Plan 2020 (“ESOP 2020”) for the employees of the Company and its subsidiaries. However, no options have been granted under ESOP 2020 till date.

Significant and material orders impacting the going concern status and Company's operations in future

During the year under review, no significant and material order was passed by any regulator or court or tribunal which may impact the going concern status and your Company's operations in future.

However, during the financial year 2011-12, a search operation was conducted by the Income Tax Department at the Company's premises and hence, the Company re-filed its income tax returns for the Assessment Years (“AY”) 2006-07 to 2012-13. During the financial year 2014-15, the Income Tax Department completed the assessments for the said years, disallowed certain expenses, and raised a demand of ₹3,294.90 million (including interest) on various grounds.

The Company preferred appeals before the CIT (Appeals) against these assessment orders. Following several hearings, the CIT (Appeals) ruled in favour of the Company and deleted the entire demand of ₹3,294.90 million. However, the CIT (Appeals) sustained certain disallowances amounting to ₹60.20 million for AY 2010-11 and AY 2011-12, against which

the Company filed appeals before the Hon'ble Income Tax Appellate Tribunal ("ITAT"). The Income Tax Department also cross-appealed before ITAT against the orders of the CIT (Appeals).

During the financial year 2025-26, the Hon'ble ITAT, vide its consolidated Order dated February 27, 2026, passed the following rulings:

- Dismissed all seven appeals filed by the Income Tax Department against the orders of the CIT (Appeals) for AY 2006-07 to AY 2012-13.
- Allowed both appeals filed by the Company against the CIT (Appeals) orders dated July 27, 2015, for AY 2010-11 and AY 2011-12.
- Quashed the underlying assessment orders passed by the Assessing Officer / DCIT for AY 2006-07 to AY 2012-13, thereby providing complete relief to the Company.

Consequently, there are no subsisting tax demands or adverse orders from this matter that impact the Company's operations or going concern status.

Report on Corporate Governance

Your Company has always placed thrust on managing its affairs with diligence, transparency, responsibility and accountability. The Board supports the broad principles of Corporate Governance and lays emphasis on its role in aligning and direct the actions of the Company in achieving its objectives. Your directors reaffirm their commitment to adhere to the highest corporate governance and ethical practices. The Company has complied with the requirements of the SEBI LODR Regulations regarding corporate governance. In compliance with Regulation 34(3) of the SEBI LODR Regulations, a report on corporate governance for the financial year under review is presented in a separate section titled "Report on Corporate Governance" and forms an integral part of the Annual Report. The requisite certificate from M/s R&D Company Secretaries, Secretarial Auditors, confirming compliance with the conditions of Corporate Governance is annexed thereto and forms part of the Annual Report.

Management Discussion and Analysis Report

Pursuant to Regulation 34(3) of the SEBI LODR Regulations, Management Discussion and Analysis Report for the year under review, is presented in a separate section and forms an integral part of the Annual Report.

Business Responsibility and Sustainability Report

Under SEBI LODR Regulations and relevant circulars (dated May 10, 2021, and January 30, 2026), the top 1,000 listed companies by market capitalization are mandated to file a Business Responsibility and Sustainability Report ("BRSR") with effect from 2023.

Although the Company did not rank among the top 1,000 listed entities by market capitalization as on December 31, 2025, it continues to comply with the relevant BRSR provisions under Regulation 3(2) of the SEBI LODR Regulations, based on its previous market capitalization.

Accordingly, as required under Regulation 34(2)(f) of the SEBI LODR Regulations, BRSR forms an integral part of this Annual Report and is presented in a separate section. It highlights the Company's key initiatives across Environmental, Social, and Governance (ESG) domains.

Subsidiaries, Associates and Joint Ventures

A. Subsidiaries

As on March 31, 2026, your Company had 3 Wholly-owned Subsidiary ("WOS") companies, viz. Panacea Biotec Pharma Limited ("PBPL"), Meyten Realtech Private Limited ("Meyten") and Panacea Biotec (International) S.A. ("PBS"), Switzerland and 2 indirect WOS companies, viz. Panacea Biotec Germany GmbH ("PBGG"), the WOS of PBS & Panacea Biotec Inc. ("PB Inc."), USA, the WOS of PBPL.

PBPL is engaged in the research, development, manufacturing and marketing of pharmaceutical formulations, nutrition, infant milk substitutes & baby care products in India and international markets. As on March 31, 2026, the Company holds 1,000,000 equity shares of ₹1 each in PBPL.

Meyten owns an immovable property at New Delhi which is leased out to the Company. As on March 31, 2026, the Company holds 48,76,319 equity shares of ₹1 each in Meyten.

PBS was earlier engaged in the business of trading pharmaceutical products and is currently not pursuing any business. The Company holds 6,000 equity shares of CHF 100 each with an investment of ₹34.36 million in PBS as on March 31, 2026.

PBGG is engaged in marketing of pharmaceutical products including the Company's products in Germany. PBGG is proposed to be converted into direct WOS of the Company by way of acquisition of 100% shares of PBGG by PBL from PBS. PBS has an investment of €0.25 million in PBGG.

PB Inc. was set up to carry on the business of buying, selling, marketing, importing, exporting, distributing, and dealing in services and products related to health and wellness, such as nutrition, dietary supplements, OTC drugs, medical devices, prescription drugs, and vaccines. It is a wholly owned subsidiary of PBPL. However, since no activity is undertaken by PB Inc. due to regulatory challenges, it has been decided to close PB Inc. PBPL holds 100 million common stock of US\$ 0.01 each in PB Inc. with an investment of US\$ 1.00 million as on March 31, 2026.

B. Joint Ventures and Associates

As on March 31, 2026, your Company has 1 joint venture company, viz. Adveta Power Private Limited ("Adveta") and 1 associate company, viz. PanEra Biotec Private Limited ("PanEra"). Adveta and PanEra have been accounted for in the consolidation of financial statements pursuant to the provisions of Indian Accounting Standards ("Ind AS").

Adveta: The Company's 50:50 joint venture with PanEra, was earlier granted in-principle approval by the Government of Arunachal Pradesh for allotment of two Power Projects of 80 MW and 75 MW in financial year 2012-13 which were subsequently cancelled. As part of business restructuring, restructuring proposals are under consideration to integrate Adveta into the other group entity.

PanEra: PanEra was granted in-principle approval by the Government of Himachal Pradesh for allotment of a hydropower project of 4 MW, in earlier years. However, no major investment has been made in this regard. As part of business restructuring, restructuring proposals are under consideration to integrate PanEra into the other group entity so that the same can move towards net zero carbon emission and use energies which are

sustainable and good for the environment and at the same time economical to the respective entity.

Pursuant to Regulation 46(2)(h) of the SEBI LODR Regulations, the Company has formulated a Policy for determining material subsidiaries which may be accessed on the Company's website at the link: <https://www.panaceabiotec.com/en/section/information-repository/policy>.

As on March 31, 2026, as well as on the date of this Report, PBPL is the only material subsidiary of the Company pursuant to the SEBI LODR Regulations.

Financial Details of Subsidiaries, Associates and Joint Ventures

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act"), a separate statement containing the salient features of financial statements, performance and financial position of each of the Company's Subsidiaries, Associates and Joint Venture, in the prescribed Form AOC-1, forms part of the financial statements and hence not repeated here for the sake of brevity. The contribution of the Subsidiaries, Joint Venture and Associate and to the overall performance of your Company is outlined in Note No. 48 of the Consolidated Financial Statements for the financial year ended March 31, 2026.

In accordance with the provisions of Section 136 of the Act read with SEBI LODR Regulations, the standalone and consolidated financial statements of the Company and all other documents required to be attached thereto are available on the website of the Company and can be accessed at <https://www.panaceabiotec.com/en/section/information-repository/annual-report>

The financial statements of the subsidiaries are available on the website of the Company at <https://www.panaceabiotec.com/en/section/information-repository/subsidiaries-financial-information>. The financial statements of the subsidiaries will also be made available upon request of any Member of the Company who is interested in obtaining the same.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its Subsidiaries, Associate and Joint Venture, prepared in terms of Section 129 of the Act, Regulation 33 of the SEBI LODR Regulations and in accordance with Ind AS 110 read with Ind AS 28 and 31 as specified in the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS Rules") and provisions of Schedule III to the Act, together with Auditor's Report thereon, forms part of the Annual Report.

Indian Accounting Standards, 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards notified under Section 133 of the Act, the Ind AS Rules and other relevant provisions of the Act.

Listing of Equity Shares

The Equity Shares of the Company continue to be listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). The requisite annual listing fees for the financial year 2026-27 have been paid to these Exchanges well within the due dates.

Public Deposits

During the year under review, your Company has neither

invited nor accepted any deposits from the public / members pursuant to the provisions of Sections 73 and 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as on the date of the balance sheet.

During the year under review, the Company has also not availed any loan from any of its directors. The details of outstanding loans received from the director of the Company have been disclosed in Note No. 41 to the Standalone Financial Statements forming part of the Annual Report.

Directors and Key Managerial Personnel

During the financial year under review and thereafter, the following changes were held in the composition of the Board of Directors and Key Managerial Personnel ("KMP") of the Company:

- i. Cessation / Completion of tenure of non-executive independent director: Mr. Mukul Gupta (DIN: 00254597), independent director, has ceased to be director of the Company upon completion of his second and final term on March 31, 2026.

CA Rajesh Jain (DIN: 10619014), independent director has ceased to be director of the Company on account of his resignation from directorship w.e.f. close of business hours on June 30, 2026.

Your directors express their deep appreciation and gratitude to the aforesaid directors for their extensive contribution and guidance received towards the business growth of the Company.

- ii. Appointment of non-executive independent director: Based on the recommendation of the Nomination and Remuneration Committee ("NRC") of the Board, the Board has appointed Mr. Rajinder Singh Manku (DIN: 09706881) as an additional director in the capacity of non-executive independent director of the Company for a period of 5 years w.e.f. July 01, 2026, subject to approval of shareholders. The terms and conditions for his appointment are contained in the Explanatory Statement forming part of the Notice of the ensuing Annual General Meeting ("AGM") of the Company.

In the opinion of the Board, he is a person of integrity and possess requisite expertise and experience for appointment as independent director of the Company.

- iii. Change in Chief Financial Officer ("CFO"): Mr. Devender Gupta, Chief Financial Officer and Head Information Technology designated as KMP has ceased to be CFO of the Company on account of his resignation from the services of the Company w.e.f. December 15, 2025.

Mr. Vinod Goel who was earlier acting as Group CFO and Head Legal & Company Secretary as well as Compliance Officer of the Company has been appointed as Chief Financial Officer designated as Group Chief Financial Officer and Head Legal & Corporate Governance under the category of KMP of the Company w.e.f. December 16, 2025.

- iv. Change in Company Secretary: Mr. Vinod Goel who was acting as Group Chief Financial Officer and Head Legal & Company Secretary under the category of KMP has ceased to be Company Secretary of the Company on account of change in his role w.e.f. December 16, 2025.

Mr. Ankit Jain (Membership No. : A29499) has been appointed as Company Secretary and Compliance Officer designated as General Manager – Legal & Company Secretary of the Company under the category of KMP w.e.f. December 16, 2025.

- v. Directors Retiring by Rotation: In accordance with the provisions of Section 152 of the Act and Article 119 of the Articles of Association of the Company, Mr. Ankesh Jain (DIN: 03556647) and Mr. Harshet Jain (DIN: 08732974), Whole-time Directors of the Company are liable to retire by rotation. Being eligible they have offered themselves for re-appointment as directors at the ensuing AGM of the Company.
- vi. Profile of Directors seeking appointment / re-appointment: The brief resume of the Directors seeking appointment / re-appointment along with other details as stipulated under Regulation 36(3) of the SEBI LODR Regulations and Secretarial Standards issued by The Institute of Company Secretaries of India, are provided in the Notice convening the ensuing AGM of the Company and the Corporate Governance Report forming part of the Annual Report.
- vii. Declaration of independence / compliance with Code of Conduct: In terms of Section 149 of the Act and the SEBI LODR Regulations, Mrs. Ambika Sharma, Mr. Krishan Kumar Jalan, Dr. Rajender Pal Singh, Mr. Rajinder Singh Manku and Dr. Venkatesh Sarvasiddhi are the independent directors of the Company as on the date of this Report.

All the independent directors of the Company have given declarations under Section 149(7) of the Act, that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations. In terms of Regulation 25(8) of the SEBI LODR Regulations, the independent directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The independent directors have also affirmed compliance with the Code of Conduct laid down by the Board of Directors for all the Board Members, Senior Management Personnel and other employees of the Company, during the year under review.

- viii. Registration in Independent Directors' Data Bank: The Company has received confirmation from all its independent directors that they are registered in the Independent Directors' Data Bank of the Indian Institute of Corporate Affairs at Manesar in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

All the above appointments / re-appointments by the Board of Directors are based on the performance evaluation and recommendation of the Nomination and Remuneration Committee of the Board of Directors. Your directors recommend appointment / re-appointment of directors as stated above, in the ensuing AGM.

Apart from the above, there is no other change in the Directors and Key Managerial Personnel during the year under review and thereafter.

Board Evaluation

The Board has, in consultation with its NRC, formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including independent directors.

A structured questionnaire covering the performance of the Board as a whole, Board Committees and individual directors were circulated to all the Board members. The questionnaire sought inputs on various aspects of governance, strategy, oversight, Board dynamics, and individual contribution. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the SEBI and ICSI.

In accordance with the said framework, an annual performance evaluation of the Board of Directors, its Committees and individual directors was carried out by the Board in terms of the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014 ("Account Rules"). In compliance with Regulation 17(10) of the SEBI LODR Regulations, the Board carried out performance evaluation of independent directors without the participation of director being evaluated.

The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman was evaluated, taking into account the views of Executive and non-executive directors. The exercise was carried out through a structured evaluation process covering various aspects such as Board composition & quality, strategic & risk management, board functioning, etc. which are briefly stated in the Corporate Governance Report, forming part of the Annual Report. The independent directors also 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 views and suggestions expressed at the said meeting were noted.

The above evaluations were then discussed in the Board Meeting and performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated. Performance evaluation of independent directors was conducted based on criteria such as ethics and values, knowledge and proficiency, behavioural traits, etc. The Board of Directors has expressed its satisfaction with the evaluation process.

Board Meetings

Pursuant to the provisions of Section 173(1) of the Act and Regulation 17(2) of the SEBI LODR Regulations, during the

year under review, 5 (five) Board Meetings were held on May 30, 2025, August 14, 2025, November 14, 2025, December 15, 2025, and February 11, 2026. The intervening gap between two Board Meetings was within the maximum period prescribed under the Act. The detailed information including attendance thereat is furnished in the Report on Corporate Governance, forming part of the Annual Report.

Board Committees and number of meetings of the Board Committees

In compliance with the requirements of the Act and SEBI LODR Regulations, your Board had constituted various Board Committees inter-alia including Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee. The details of the composition and number of meetings of the Board Committees held during the financial year under review including attendance thereat, are furnished in the Report on Corporate Governance, forming part of the Annual Report. During the year under review, all the recommendations made by these Committees were accepted by the Board.

Policy on Directors' appointment & remuneration

The management of the Company is immensely benefitted from the guidance, support and matured advice from the members of the Board who are also members of various committees. The Board consists of directors possessing diverse skills and rich experience to enhance the quality of its performance. Pursuant to the provisions of Section 178(3) of the Act, Regulation 19(4) of the SEBI LODR Regulations and based on the recommendations of the NRC of the Board, the Board has adopted a policy for selecting, appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company. This policy may be accessed on the Company's website at the link: [https:// www.panaceabiotec.com/en/section/information-repository/policy](https://www.panaceabiotec.com/en/section/information-repository/policy).

The policy includes criteria for determining qualifications, positive attributes and independence of directors. It also, inter-alia, covers guiding principles and components such as fixed or variable remuneration, retirement benefits, and commissions. In terms of the policy, the NRC evaluates balance of skills, knowledge and experience of Directors, Key Managerial Personnel or Senior Management Personnel whom it recommends to the Board for appointment. The components of remuneration policy are briefly stated in the Report on Corporate Governance, forming part of the Annual Report.

Selection and procedure for nomination and appointment of Directors

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a director's appointment or re-appointment is required. The NRC reviews and vets the profiles of potential candidates vis-à-vis the required competencies, undertakes due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board.

Energy Conservation, Technology Absorption & Foreign Exchange

Pursuant to Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 ("Accounts Rules") particulars regarding conservation of energy, technology absorption and foreign exchange earnings & outgo, are given in **Annexure A** hereto and forms part of this Report.

Annual Return

As required pursuant to Section 92(3) and 134(3)(a) of the Act, the draft Annual Return of the Company as on March 31, 2026, is available on the Company's website at: [https:// www.panaceabiotec.com/en/section/information-repository/annual-return](https://www.panaceabiotec.com/en/section/information-repository/annual-return).

Related Party Transactions

During the year under review, all the related party transactions entered into were on an arm's length basis and predominantly in the ordinary course of business. As per the latest audited financial statements, the Company has not entered into any material related party transactions as referred to in Section 188 of the Act. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Accounts Rules in the prescribed Form AOC- 2 is not applicable. Suitable disclosures as required under Ind AS 24 have been made in the notes to the Financial Statements forming part of the Annual Report. Apart from remuneration / sitting fees and consultancy charges in professional capacity, there is no pecuniary transaction with any director, which had potential conflict of interest with the Company.

All the related party transactions are placed before the Audit Committee for its review and further recommendation to the Board for its approval. Wherever applicable, approval is obtained for related party transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length basis.

As per the provisions of the Act and Regulation 46(2)(g) of the SEBI LODR Regulations, your Company has formulated a policy on Materiality of related party transactions and dealing with related party transactions which is available on the Company's website at the link: <https://www.panaceabiotec.com/en/section/information-repository/policy>.

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the related parties. This policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

Particulars of employees and related disclosures

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Managerial Personnel Rules") are provided in **Annexure B** hereto and the same forms part of this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Managerial Personnel Rules, a statement containing particulars of top 10 employees and the

employees drawing remuneration in excess of the limits set out in the said Rules, are provided in **Annexure C** hereto and the same forms part of this Report.

Auditors and Audit Reports

- i) **Statutory Auditors and Audit Report:** Pursuant to the provisions of Section 139 of the Act read with rules framed thereunder, M/s Suresh Surana & Associates LLP, Chartered Accountants (Firm's Regn. No. 121750W/W100010) were appointed as the Statutory Auditors of the Company for a term of 5 consecutive years to hold office from the conclusion of 40th AGM upto the conclusion of 45th AGM of the Company to be held in the year 2029.

Pursuant to Section 141 of the Act, the Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company and their appointment meets the eligibility criteria prescribed in Section 141(3)(g) and 147 of the Act. They also confirmed that they are independent, maintained an arm's length relationship with the Company and that no orders or proceedings were pending against them before the Institute of Chartered Accountants of India or any competent court / authority relating to matters of professional conduct.

The Auditor's Report on the standalone as well as consolidated financial statements for the financial year ended March 31, 2026, does not contain any qualification, reservation or adverse remark. The said Reports were issued by the Statutory Auditors with an unmodified opinion. However, the Statutory Auditors have, in their report on standalone financial statements, drawn attention to Note 48 of the standalone financial statements, which states that the Company has incurred losses (including other comprehensive income) amounting to ₹287.3 million for the year ended March 31, 2026, and the retained earnings are negative to the extent of ₹ 2,178.2 million as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, as disclosed in note no. 48, the retained earnings of the Group are positive to the extent of ₹7,760.5 million. The surplus funds remaining with the Group out of the sales of pharmaceutical formulations brands in India and Nepal in March 2022 have helped in strengthening the working capital position, setting up new facilities for enhancement of capacities for manufacturing of vaccines drug substance, scaling up Group's nutrition and pharmaceutical formulations business and pursuing other business opportunities. The Company has already received higher long-term awards from United Nations Children's Fund (UNICEF) and Pan American Health Organisation for supply of pentavalent vaccine and awards from UNICEF for supply of bivalent oral polio vaccine. Based on these measures and continuous efforts to improve the business performance, the management has prepared the financial statements on going concern basis.

The Key Audit Matters as contained in the Auditor's Report on the Standalone Financial Statements are also mentioned as Key Audit Matters in the Auditor's Report on the Consolidated Financial Statements in a similar manner.

The management response to the observations / comments / key audit matters contained in the Auditor's Report and Annexure thereto has been suitably given in the respective

Notes to the Standalone as well as Consolidated Financial Statements referred to therein.

The notes to accounts and other observations, if any, in the Auditor's Reports are self-explanatory and therefore, do not call for any further comments.

- ii) **Cost Accounts and Auditors:** The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act and accordingly, such accounts and records have been duly made and maintained by the Company in compliance with the provisions of the Act.

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board has appointed M/s Jain Sharma & Associates, Cost Accountants (Firm's Registration Number: 000270) as the Cost Auditors to conduct the audit of the Company's Cost Records for the financial year ended March 31, 2026, and their remuneration was ratified by the shareholders in the 41st AGM of the Company held on September 30, 2025.

The cost audit for the financial year 2025-26 is in progress and the Cost Auditor's Report will be submitted with the Central Government within the prescribed time. The Cost Audit Report for the financial year 2024-25 was filed on September 10, 2025.

Based on the recommendations of the Audit Committee, the Board of Directors has in its meeting held on May 30, 2026, re-appointed M/s Jain Sharma & Associates, Cost Accountants, as Cost Auditors of the Company to conduct the audit of the Company's Cost Records for the financial year 2026-27. M/s Jain Sharma & Associates have confirmed their independence and arm's length relationship with the Company and that they are free from the disqualifications specified in Section 139, 141 of the Act and their appointment meets the eligibility criteria as prescribed in Section 141(3)(g) and 148 of the Act. They have also confirmed that no orders or proceedings were pending against them relating to matters of professional conduct before the Institute of Cost Accountants of India or any competent court / authority.

In compliance with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, an item for ratification of remuneration of cost auditor for conducting the audit for the financial year 2026-27 has been included in the Notice of the ensuing AGM for shareholders' approval.

- iii) **Secretarial Auditors and Secretarial Audit Report:** Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Managerial Personnel Rules and Regulation 24A of the SEBI LODR Regulations, M/s R&D Company Secretaries, a peer reviewed firm of Practicing Company Secretaries were appointed as Secretarial Auditors to conduct the secretarial audit of the Company for a term of five consecutive years commencing from Financial Year 2025-26 to Financial Year 2029-30 at the 41st AGM held on September 30, 2025. M/s R&D Company Secretaries have confirmed that they are not disqualified from continuing as Secretarial Auditors of the Company. The Secretarial Audit Report issued by them is annexed as **Annexure D** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks. However,

it contains two observations relating to (i) delayed payment to Micro and Small Enterprises beyond the period prescribed under Section 15 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act); and (ii) inadvertent delays in filing two routine statutory e-forms (IEPF-2 and MGT-14) with the Registrar of Companies (RoC). In this regard, (i) the Company has made the requisite provision for the interest amount on such delayed payment to aforesaid vendors in accordance with Section 16 of the MSMED Act and disclosed such delays in MSME Form I; and (ii) the delay in filing of IEPF-2 was on account of continuous technical errors or login failures on the Ministry of Corporate Affairs (MCA) V3 portal and delay in filing of MGT-14 was due to an unintentional clerical error / oversight by the compliance team. However, the Company has taken corrective action and subsequently all such pending e-forms have been filed with additional fees.

In compliance with the requirements of the SEBI LODR Regulations, the material unlisted subsidiary of the Company, viz. Panacea Biotech Pharma Limited had also appointed M/s R&D Company Secretaries, a peer reviewed firm of Practicing Company Secretaries as Secretarial Auditors to conduct the secretarial audit for the financial year ended March 31, 2026. The Secretarial Audit Report issued by them to PBPL is annexed as **Annexure E** to this Report.

The said Secretarial Audit Report does not contain any qualification, reservation or adverse remarks. However, it contains one observation relating to delayed payment to Micro and Small Enterprises beyond the period prescribed under Section 15 of the MSMED Act. PBPL has made the requisite provision for the interest amount on such delayed payment to aforesaid vendors in accordance with Section 16 of the MSMED Act and disclosed such delays in MSME Form I.

In addition to the above and in compliance with Regulation 24A(2) of the SEBI LODR Regulations, Annual Secretarial Compliance Report issued by M/s R&D Company Secretaries, Secretarial Auditors, for the financial year ended March 31, 2026, has been submitted with the stock exchanges within prescribed time.

Material changes and commitments affecting the financial position

As required under Section 134(3) of the Act, the Board of Directors inform the Members that during the financial year under review, there have been no material changes, except as disclosed elsewhere in the Annual Report:

- in the nature of Company's business;
- in the Company's subsidiaries, associate and joint venture or in the nature of business carried out by them; and
- in the classes of business in which the Company has an interest.

Further, except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments which could affect the financial position of the Company between the end of the financial year and the date of this Report.

Compliance with Secretarial Standards

The Company has followed applicable Secretarial Standards i.e.

SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by the Institute of Company Secretaries of India.

Transfer to Investor Education and Protection Fund

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of 7 years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Ministry of Corporate Affairs, Government of India. During the year under review, there was no amount of dividend remaining unpaid or unclaimed for a period of 7 years from the due date. Accordingly, no amount was required to be transferred by the Company to the IEPF.

Pursuant to the provisions of IEPF Rules, all the shares in respect of which any dividend which has not been paid or claimed for 7 consecutive years is required to be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account') within a period of 30 days of such shares becoming due to be transferred to the IEPF Account. During the year under review, there were no shares on which the dividend(s) remained unpaid or unclaimed for 7 consecutive years. Accordingly, no shares were required to be transferred by the Company to the IEPF Account.

The number of shares (in respect of which dividend was not claimed by the concerned shareholders for 7 consecutive years or more) transferred and held by IEPF Authority is given in the Corporate Governance Report forming part of the Annual Report. The details of the persons whose shares have been transferred to the IEPF Authority are available on the Company's website at the link i.e. <https://www.panaceabiotec.com/en/section/information-repository/other-important-information>.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost, secretarial auditors and external agencies, including audit of internal controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2025-26.

Accordingly, pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of their knowledge, belief and according to the information and explanations provided to them, confirmed that:

- a) in the preparation of the annual financial statements for the financial year ended March 31, 2026, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026, and of loss of the Company for the year ended March 31, 2026;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual financial statements have been prepared on a going concern basis;
- e) they have laid down proper internal financial controls to be followed by the Company and that the same are adequate and were operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by auditors

During the year under review, no fraud has been reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Act and therefore, disclosure of details under Section 134(3)(ca) is not applicable.

Particulars of loans, guarantees or investments

Pursuant to the provisions of Section 134(3)(g) of the Act, the particulars of loans / guarantees and investments covered under the provisions of Section 186 of the Act along with the purpose for which such loans, guarantees or security were proposed to be utilised by the recipient, have been disclosed in the Note Nos. 3, 4 and 12 of the Standalone Financial Statements forming part of the Annual Report and hence not repeated here for the sake of brevity.

Risk Management

The Board of Directors has a Risk Management Committee to oversee various organizational risks and to frame, implement and monitor the risk management plan for the Company. Risk Management Committee is compliant with Regulation 21 of the SEBI LODR Regulations as regards composition, frequency and quorum of the meetings. The Board has defined the roles, responsibilities and functions of the Committee. The details of the composition, the number of meetings held and attendance thereat during the financial year under review and terms of reference are furnished in the Corporate Governance Report, forming part of the Annual Report.

The Company has formulated a Risk Management Policy and monitors the risk management plan on a periodic basis. The Audit Committee has additional oversight in the area of financial risks and controls. The Company has defined a structured approach to manage uncertainty and to make use of these in decision making in business decisions and corporate functions.

Insurance

The Company has regularly invested in insuring itself against unforeseen risks. The Company's stocks and insurable assets like building, plant & machinery, computer equipment, office equipment, furniture & fixtures, leasehold improvements and upcoming projects have been adequately insured against major risks. The Company has also taken appropriate product liability insurance policies for conducting clinical trials and for insuring its products (manufactured and sold) with an extension of unnamed vendor liability and add on cover of public liability inclusive of pollution liability to cover the risk on account of claims, if any, filed against the Company. Pursuant to the

provisions of Regulation 25(10) of the SEBI LODR Regulations, the Company has Directors' and Officers' Liability insurance to cover the personal liability of directors and officers which may arise while performing duties in their respective capacities on behalf of the Company.

Internal Control System

Your Company has established an adequate system of internal controls, policies and procedures to ensure orderly and efficient conduct of business and also that assets are safeguarded and transactions are appropriately authorized, recorded and reported.

The detailed explanation is provided in the Management Discussion and Analysis Report, forming part of the Annual Report.

Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Act. Our IFC framework includes elements like orderly & efficient conduct of business, safeguarding of assets adherence to company policies, prevention and detection of fraud & errors, accuracy & completeness of accounting records, and timely preparation of reliable financial information.

The IFC framework is aligned with globally recognised standards and supports the preparation of Financial Statements that present a true and fair view in accordance with applicable accounting principles. For the financial year ended on March 31, 2026, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations.

The IFC operates effectively, and no material weakness exists. The effectiveness of IFC is ensured through management reviews, controlled self-assessment and independent testing by the internal audit team, and Audit Committee oversight.

Vigil Mechanism / Whistle Blower Policy

Your Company adheres to uncompromising integrity in conduct of its business and strictly abides by a well-accepted norm of ethical, lawful and moral conduct. It has zero tolerance for any form of unethical conduct or behaviour. With the above said view and pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of the SEBI LODR Regulations and Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a Vigil Mechanism / Whistle Blower Policy to provide its directors, employees and other stakeholders an avenue to raise any sensitive and genuine concerns regarding any unethical behaviour or wrongful conduct and to enable them to report instances of leak of unpublished price sensitive information and to provide adequate safeguards for protection from any victimization.

This Policy is available on the website of the Company and can be accessed at: <https://www.panaceabiotec.com/en/section/information-repository/policy>. This Policy, inter-alia, provides direct access to the Chairman of the Audit Committee. Further, as mandated by Regulation 18(3) read with Para A (18) of Part C of Schedule II of the SEBI LODR Regulations, the Audit

Committee reviews the functioning of Vigil Mechanism / Whistle Blower Policy.

Your Company hereby affirms that no director / employee has been denied access to the Chairman of the Audit Committee and that no complaint has been received by the Company during the year under review.

Corporate Social Responsibility

The provisions of Section 135 of the Act and the Rules made thereunder regarding Corporate Social Responsibility are not attracted to the Company as the Company does not fall under the threshold limit of net worth of ₹5,000 million or more, or turnover of ₹10,000 million or more, or a net profit (as defined under Section 198 of the Act) of ₹50 million or more during the immediately preceding financial year. However, the Company has been, over the years, pursuing Corporate Social Responsibility by putting continuous efforts in the areas of health, education and patient awareness / assistance programs towards the development of a happier and healthier society.

Prevention of Sexual Harassment at Workplace

The Company is committed to provide a safe and conducive work environment to all its employees and associates. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). All the employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year ended on March 31, 2026, the Company conducted virtual training sessions for employees to build awareness about the Policy and the provisions of the POSH Act. Your Company has complied with the provisions relating to constitution of Internal Complaints Committee under the POSH Act for dealing with the complaint, if any, relating to sexual harassment of women at workplace.

The details of sexual harassment complaint received and disposed-off during the period under review are as follows:

Number of complaints of sexual harassment received in the year	Number of complaints disposed off during the year	Number of cases pending for more than ninety days
1	1	Nil

Maternity Benefits

The Company is committed to upholding the rights and welfare of its women employees and has complied with the

provisions of the Maternity Benefit Act, 1961, and the rules made thereunder, as amended from time to time. All eligible women employees are provided maternity leave and other benefits in accordance with the applicable provisions of the Maternity Benefit Act, 1961. The Company has also ensured a safe and supportive working environment, including provisions for creche facilities where applicable, in line with statutory requirements.

The Company continues to remain in full compliance with the provisions of the Maternity Benefit Act, 1961, and confirms that there have been no instances of non-compliance or adverse findings in this regard during the financial year under review. During the year under review, 14 (fourteen) female employees have taken such benefits.

Proceeding under Insolvency and Bankruptcy Code, 2016

No application has been made under the Insolvency and Bankruptcy Code, hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year is not applicable.

Cyber Security Incident

The Company has installed firewalls and other software to protect against the cyber-crime. The back-ups are also being kept on Cloud to prevent any kind of data loss. The Company has also engaged an independent expert to verify the measures already taken by the Company for safeguarding against any cyber-attacks. No incident relating to cyber security, breaches or loss of data or documents has been reported during the year under review.

Acknowledgements

Your directors acknowledge with gratitude the co-operation and assistance received from the WHO and other UN Agencies, Central Government, State Governments and all other Government agencies and the encouragement they have extended to the Company. Your directors also thank the shareholders, banks, customers, vendors and other business associates for their confidence in the Company & its management and look forward to their continuous support in future. The Board wishes to place on record its appreciation for the dedication and commitment of the employees at all levels which has continued to be our major strength.

For and on behalf of the Board of
Panacea Biotec Limited

Sd/-

Place : New Delhi
Date : August 13, 2026

Dr. Rajesh Jain
Chairman and Managing Director

Annexure to the Directors' Report

Annexure A

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo [as required under the Companies (Accounts) Rules, 2014]

I. Conservation of Energy

The Company strives to be energy efficient by being conservative in its approach of energy utilization and also utilizing energy efficient devices. The Company believes that energy conservation is the most economical solution to energy shortages that our country is facing. The Company regularly reviews energy consumption and maintains effective control on utilization of energy by adopting measures to reduce wastage and optimize consumption. The Company has undertaken several measures to minimize energy losses and ensure sustainable energy utilization.

The Company firmly believes that efficient energy utilization not only reduces environmental footprint but also contributes to long-term operational cost-effectiveness.

1. Energy Conservation measures taken:

The Company has devised its production lines and other facilities keeping in view the objective of minimum energy losses. The following are the major energy conservation measures implemented by the Company during the year under review and recent past:

- Use of water treated from effluent treatment plant (ETP) & sewage treatment plant (STP) for plantation and irrigation purposes.
- Installed condensate pipelines from condensate transfer pump having no insulation to reduce the insulation heat losses and increase saving in fuel.
- Installed Variable Frequency Drive (VFD) in brine chiller at Lalru to reduce power consumption.
- Replaced high energy consuming lights with lower energy consuming lights at several locations.
- Replaced existing steam traps with new energy efficient steam traps to optimize steam utilization and reduce heat loss.
- Installed auto control valves to precisely control and utilize steam based on exact operational requirements, significantly reducing thermal energy loss.
- Replaced existing plug fan blowers from AHU unit with high-efficiency EC (Electronically Commutated) blowers, resulting in significant savings in electrical energy.
- Installed and commissioned new 6 ton Briquette Fired Boiler (to run with Fire Briquette or Wood Fire) at its Lalru site to replace Furnace Oil Fired Boilers thereby shifting to renewable energy source and to also reduce Sulphur emission.

- Installed mechanical seals in cooling tower pumps replacing gland packing to reduce water consumption.
- Use of dual mode system enabling use of piped natural gas (PNG) for running the generators as an alternate to using diesel thereby reducing diesel consumption by upto 70% at Lalru and New Delhi.
- Replaced outdated air conditioners with energy efficient split air conditioners.

2. Additional Investments / Proposals, if any, for reduction of Energy Consumption:

The Company's initiatives in energy consumption extend beyond the needs of the present to ensure sustainable growth for years ahead. Continuous efforts are being made to further reduce the expenditure on power and fuel in the time to come.

A few measures under consideration are listed below:

- To continue replacement of high energy consuming lights with lower energy consuming lights across the organization over a period of time.
- To continue to reduce the running cost of high side utilities at Baddi such as Chiller, Cooling Tower, Condenser Pump & Chiller water pump by using lower power machines to save power.
- To source power generated through solar power systems with a view to reduce energy cost.
- To procure and install a highly energy-efficient process chiller to optimize cooling energy consumption during manufacturing operations.
- Installation of Tertiary RO system to treat RO reject water for reducing its total dissolved solids (TDS) and use thereof as feed water for boiler & cooling tower with a view to reduce water consumption at Lalru site.

3. Capital Investment on energy conservation equipments:

During the year under review, the Company has made a capital investment of ₹2.03 million towards energy conservation equipments.

4. Impact of measures taken and impact on cost of production of goods:

The energy conservation measures indicated above have helped the Company to reduce the energy consumption and restrict the impact of increase in the cost of energy, thereby reducing the cost of production of goods to that extent.

Annexure to the Directors' Report

Form A Particulars of Consumption of Energy

Particulars	Current Year	Previous Year
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (Nos. in thousand)	20,922.68	20,225.31
Total Amount (₹ in million)	163.27	148.99
Rate / Unit (₹)	7.80	7.37
(b) Own generation		
(i) Through Diesel Generator		
Units (Nos. in thousand)	978.78	962.74
Unit per litre of Diesel / Oil	3.57	3.35
Cost / Unit (₹)	24.14	25.57
(ii) Through Steam Turbine / Generator		
Units (Nos.)	Nil	Nil
Unit per litre of Diesel / Oil	NA	NA
Cost / Unit (₹)	NA	NA
2. Coal		
Quantity (tonnes)	Nil	Nil
Total Cost (₹ in million)	NA	NA
Average Rate (₹)	NA	NA
3. Furnace Oil		
Quantity (Kilolitres)	Nil	Nil
Total Cost (₹ in million)	NA	NA
Rate / Unit (₹)	NA	NA
4. Briquette		
Quantity (in Tonnes)	4,161.73	4,135.06
Total Cost (₹ in million)	41.06	37.51
Rate / Unit (₹)	9.87	9.07
Steam transferred from PBPL (₹ in million)	16.69	21.60
5. HSD		
Quantity (in Thousand Litre)	74.24	70.83
Total Cost (₹ in million)	6.29	6.00
Rate / Unit (₹)	84.68	84.68
6. PNG		
Quantity (in Thousand MMB)	6.36	5.13
Total Cost	8.81	6.92
Rate / Unit (₹)	1,386.48	1,347.33
7. Others / Internal generation		
Quantity	Nil	Nil
Total Cost	NA	NA
Rate / Unit (₹)	NA	NA
B. Consumption per unit of production		
Vaccines - vials		
Production (no. of doses in thousand)	2,09,931	57,536
Electricity Consumption (Units per thousand)	172.61	132.65
Vaccines - Pre-filled Syringes (PFS)		
Production (no. of PFS in thousand)	164	301
Electricity Consumption (Units per thousand)	1,284.05	890.39

Annexure to the Directors' Report

II. Technology Absorption

Form B

Form for disclosure of particulars with respect to Technology Absorption

Research & Development (R&D)

1. Specific areas in which R&D is carried out by the Company:

The Company has a state-of-the-art research and development facility, namely One-Stream Research and Development (R&D) Centre ("ORC") at New Delhi and a Vaccine formulation research and development centre at Lalru, Punjab, to cater to all the modern aspects of vaccine development. The Company has the capability of carrying out research activities for developing vaccines using various advanced genetic engineering technologies, molecular biology, bacterial culture, animal cell culture, small scale and pilot scale fermentation, purification & analytical characterization for Drug substance research and development. It is equipped with all the necessary infrastructure and scientific manpower to carry out innovative research in the areas of antigen design, expression of antigen in a suitable host system and its purification. The formulation development centre is equipped with capabilities for the design, development and optimization of vaccine formulations, including liquid and lyophilized dosage forms, adjuvant systems, combination vaccines, formulation process development, analytical characterization, stability studies immunological evaluation in animal model and technology transfer to support clinical and commercial manufacturing.

The Company has pioneered in the development of viral, recombinant, sub-unit and polysaccharide conjugate vaccines, using both mammalian and bacterial expression platforms. The Company has made significant progress in the major areas of research including development of DengiAll®, NuCoVac®11, Mpox candidate vaccine and a multi epitope nano particle based broadly protective beta-coronavirus vaccine candidate. Each of these programs will significantly address the healthcare burden that the diseases pose and build a sustainable future based on innovation. In recent times, the R&D center has established a high-cell density E.coli platform for production of recombinant antigens and proteins. This will help in developing recombinant molecules as antigen / therapeutics and as carrier protein for conjugated vaccine.

The R&D center has established a strong team to take care of the conjugation aspect of many polysaccharide-based vaccines such as for typhoid, meningitis and many more in near future. The R&D team is also engaged in carrying out research for development of several other vaccines like Malaria, Measles, Rubella, Meningitis B, using novel

immune-informatics and reverse genetics approaches. These candidates are part of our future product pipeline.

2. Benefits derived as a result of the above R&D:

Focus on research resulted in development of innovative fully liquid vaccines including EasySix®, Easyfour-TT®, Easyfive-TT®, EasyFourPol®, Enivac HB (rHep B), Pandylflu (inactivated H1N1), OPVs (trivalent, monovalent and bivalent) and rich vaccine and bio-therapeutics pipeline.

Easyfive-TT® is the world's first fully liquid wP-based Pentavalent vaccine that was launched in India in 2005. After receiving WHO prequalification in 2008, more than 200 million doses have been supplied to over 75 countries globally.

EasySix® is also world's first fully liquid wP-IPV based hexavalent vaccine that was launched in India in 2017. The Company has patented combination vaccines involving wP and IPV. The hexavalent vaccine has been recommended by Gavi and WHO for usage in the immunization program. UNICEF has already floated tender for procuring hexavalent vaccine from year 2025 onwards.

EasyFourPol® is also world's first fully liquid wP-IPV based Pentavalent vaccine that has been launched in the previous financial year.

3. Future Plan of Action:

The Company intends to continue to focus on R&D activities for growing its revenues and profitability, inter-alia, in the following areas:

- development of recombinant, polysaccharide conjugate and cell culture based vaccines;
- development of Genetic (DNA/RNA) material-based vaccine, nanoparticles, VLP and Protein based sub-unit vaccines for novel viral and bacterial antigens;
- development of cost effective manufacturing process for consistently delivering the quality vaccine products;
- development of reliable analytical methods for process monitoring, batch release and stability assessment to support vaccine development initiatives;
- development of broadly protective Betacoronavirus Vaccines and antibody platform to respond to any future pandemic in less than 100 days;
- development of a multi-epitopes recombinant Mpox vaccine, VaxiPox™; and
- development of adjuvants to make India "Atmanirbhar".

Annexure to the Directors' Report

4. Expenditure on R&D:

	(₹ in million)	
Particulars	2025-26	2024-25
a) Revenue expenditure*	180.41	223.54
b) Capital Expenditure	9.74	92.37
c) Total	190.15	315.91
d) Total R&D expenditure as a % of net revenues	4.60%	10.20%

* Excluding Depreciation on R&D assets.

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The Company continued to strengthen its research and development capabilities through technology absorption, adaptation, and innovation across vaccine discovery, drug substance, and drug product development. These efforts have enhanced the Company's technological capabilities and operational efficiencies while supporting the development of vaccines, biopharmaceuticals, proteins, and peptides in compliance with internationally accepted regulatory and quality standards.

The Company is also engaged in research & development of new generation vaccines like broadly protective Betacoronavirus vaccine, SARS-CoV-2, Typhoid Conjugate, Pneumococcal Conjugate, Tetravalent Dengue, Mpox, etc. and is actively collaborating with Indian and foreign organization, to enrich the pipeline and to bring new concepts in vaccine research.

The Company's squalene-based emulsion adjuvant (EmulsiPan®) was included in the CEPI Adjuvant Library, enhancing its global visibility and enabling broader access by vaccine developers and research organizations for evaluation in next-generation vaccine programmes.

The Company had partnered with the Coalition for Epidemic Preparedness Innovations ("CEPI") and the Translational Health Science and Technology Institute ("THSTI") for the development of vaccines that provide broad protection against SARS-Cov-2 variants and other Betacoronaviruses candidate vaccines and antibodies to generate long-term sustainable impact on the needs of the world – in line with Government of India's objective of "India for the World".

2. Benefits derived as a result of the above:

Benefits derived from the above efforts include strengthening the Company's technology platforms, cost reduction, Innovative and new product development, import substitution, competitive products and product quality improvement. These initiatives have also expanded the Company's product pipeline, reinforced strategic collaborations, and enhanced its global competitiveness.

The Company has launched world's first fully liquid wP-IPV based Pentavalent vaccine EasyFourPol® in financial year 2023-24. It had also launched world's first fully liquid hexavalent vaccine EasySix® and tetravalent vaccine Easyfour-TT® in 2017 and pentavalent vaccine Easyfive-TT® in 2005.

The Company has in-licensed technology for development of tetravalent dengue vaccine, DengiAll® from National Institutes of Health, USA.

During the year under review, the Company made significant progress across its vaccine development pipeline. Development activities continued for the Tetravalent Dengue Vaccine (DengiAll®), 11-valent Pneumococcal Conjugate Vaccine (NuCoVac®11), Mpox Vaccine, and a broadly protective Betacoronavirus vaccine. The Company successfully completed the Phase III clinical trial for its Tetanus and Diphtheria (Td) Vaccine in adolescents and obtained the necessary marketing authorization. The Phase III clinical trial for DengiAll®, being conducted in collaboration with the Indian Council of Medical Research (ICMR), is ongoing. The clinical development programme for NuCoVac®11 has been completed, and the Company is actively pursuing the necessary regulatory approvals and marketing authorizations to facilitate its commercialization in domestic and international markets. In addition, the Company successfully completed proof-of-concept (PoC) studies for its Mpox Vaccine, broadly protective Betacoronavirus vaccine, and SARS-CoV-2 vaccine candidates, further strengthening its portfolio of next-generation vaccines targeting emerging and epidemic-prone infectious diseases.

The Company also strengthened its vaccine platform capabilities through the development of its proprietary EmulsiPan® squalene-based emulsion adjuvant. During the year, EmulsiPan® was included in the Coalition for Epidemic Preparedness Innovations (CEPI) Adjuvant Library, enhancing its global visibility and accessibility for evaluation by vaccine developers and research organizations worldwide.

With the completion of research projects and in-licensing arrangements, the Company will be able to commercialize the products in the domestic and international markets.

3. Information in respect of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

Technology imported	Year of import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons thereof and future plan(s) of action
(a)	(b)	(c)	(d)
		None	

Annexure to the Directors' Report

III. Foreign Exchange Earnings and Outgo

1. Activities relating to exports:

The Company is an exporter of vaccine and supplies its vaccines to UNICEF, PAHO and other national Governments. The Company's vaccines are exported to ~37 countries in Africa, Asia and Latin America. In addition to supplying Easyfive-TT®, EasySix® and Bi-OPV®, the Company plans to seek WHO prequalification for its pipeline products and other licensed products such as Pneumococcal Conjugate vaccine, Dengue Tetravalent vaccine, EasyFourPol® and Td vaccine, enabling their supply to UN agencies and other national governments. The Company has plans to sell its vaccines in the private market through tie-ups with established industry players in various countries. The Company is supporting global cause of providing affordable vaccines to the children across the globe.

The Company's wholly-owned subsidiary company, Panacea Biotec Pharma Limited ("PBPL") exports its pharmaceutical formulations in ~40 countries worldwide including United States, Canada, Germany, Serbia, Bosnia, Kosovo, UAE, Saudi Arabia, Qatar, Russia, Kazakhstan, Algeria, Turkey, Tanzania, Kenya, Uganda, Ghana, Indonesia, Vietnam, Philippines, Myanmar, Sri Lanka, Mongolia, Thailand, Brazil, Panama, Ecuador, Paraguay, Costa Rica, Chile, Cambodia, Jordan, Trinidad & Tobago, Rwanda, etc.

During the year, the Company's consolidated export revenues were as under:

	(₹ in million)	
Particulars	2025-26	2024-25
Vaccines	2,771.75	2,169.37
Pharmaceutical Formulations	1,441.48	1,838.27
Total	4,213.23	4,007.64

2. Initiatives taken to increase export:

The Company has a long-standing relationship with the institutional customers, i.e. UNICEF, PAHO and the Government of India, which has helped in participating in immunization programs in India and globally. The Company has established relationships with its key customers i.e. UNICEF and PAHO for supply of pentavalent vaccine to Gavi countries through UNICEF and to PAHO member countries located in Latin America through PAHO.

The Company has been able to set proven performance track record which is a key criterion for selection of suppliers by these UN procurement agencies. The Company has also entered into agreements with other international business associates for its vaccine products. The Company is entering into strategic partnership for its current vaccines and vaccines in pipeline for entry into new international markets.

Panacea Biotec is the innovator and intellectual property holder of EasySix®, the world's first fully liquid Hexavalent vaccine. The WHO's Strategic Advisory Group of Experts on Immunization (SAGE) has supported the global rollout of wP based hexavalent vaccine in the global immunization schedule – creating an opportunity for more than 250 million doses of hexavalent vaccine annually. Panacea Biotec is in process of expanding its manufacturing capacity in order to enable the Company to meet the growing demand of vaccines by public health agencies.

The Company's strategic partnerships and collaborations have enabled it in developing innovative, cost-effective and quality vaccines and helped in achieving its goal of providing cost-effective vaccines to the global population.

In the North America and Europe, PBPL is taking several steps for strengthening its position. Panacea Biotec Germany GmbH (PBGG) launched Valgapan (Valganciclovir) in Germany, during previous financial year, while portfolio expansion with Siropan is underway. Broader European expansion is advancing, with marketing authorisation applications for PacliALL® filed in 11 EU countries. The first marketing authorization is expected during the current financial year, followed by commercial launches. Product registrations are initiated in new markets like UK that will help in sustained growth.

In the Rest of the World (ROW) markets, PBPL expanded its global presence significantly during the year under review. PBPL entered markets such as Algeria, Egypt, Libya, Oman, Qatar, and South Africa, with product launches scheduled in next 1-2 years. Saudi Arabia also witnessed the relaunch of Rizatriptan, reinforcing PBPL's established base in the region. In Asia-Pacific region, products were successfully commercialized in Indonesia, and regulatory transfer activities were completed in Australia, paving the way for a commercial launch of under registration dossiers in financial year 2026-27. With these developments, PBPL has set the foundation to expand its ROW markets footprint from ~40 operational countries to 54 over the next five years, with 8 new markets expected to be added in the near term and a further 11 in the longer horizon.

3. Development of new export markets for Products and Export Plans:

The Company as well as PBPL continuously takes steps to strengthen and grow its exports in the coming years including building a strong portfolio, strengthening marketing team, entering into newer markets, identifying distributors and marketing partners into newer regions and registering products in more countries as well as strengthening existing relationships with the partners.

As a part of the Company's strategy to enter into the international private vaccine market, the Company has already registered its vaccines in 17 countries (including African Medicines Regulatory Harmonization (AMRH)

Annexure to the Directors' Report

which will inter-alia enable launch of product across ~32 countries in African region who have ratified the African Medicines Agreement (AMA) Treaty.

4. Total foreign exchange earned and used:

(₹ in million)		
Particulars	2025-26	2024-25
Foreign Exchange Earned:		
F.O.B. value of Exports	2,778.11	2,142.87
Interest income	77.09	66.75
Total Foreign Exchange Earned	2,855.20	2,209.63
Foreign Exchange Used:		
Raw materials & packing materials	1,402.16	1,155.90
Components & spare parts	12.20	8.24
Capital goods	16.78	2.79
Legal & professional expenses	59.33	42.02
Software license fee	1.35	7.52
Other expenses:		
- Allowance for expected credit loss	77.09	66.75
- Patents, trademarks & product registration	2.37	2.03
- Advertising and sales promotion	1.08	2.53
- Commission on Sales	4.12	8.58
- General expenses	1.69	1.37
- Others	8.29	8.02
Total Foreign Exchange Used	1,586.53	1,305.76

For and on behalf of the Board of
Panacea Biotec Limited

Place : New Delhi
Date : August 13, 2026

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director

Annexure to the Directors' Report

Annexure B

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2026

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

Name of the Director and Key Managerial Personnel (KMP)*	Designation	Remuneration of Director / KMP (₹ in million)	% increase / (decrease) in remuneration	Ratio to median remuneration of employees
Dr. Rajesh Jain [®]	Chairman and Managing Director	9.00	(5.37%)	21.45
Mr. Sandeep Jain [®]	Joint Managing Director	8.41	(3.90%)	19.72
Mr. Harshet Jain [®]	Whole-time Director	3.64	(0.44%)	8.21
Dr. Sanjay Trehan [®]	Whole-time Director	0.84	NA	1.89
Mr. Vinod Goel [#]	Group CFO and Head Legal & Corporate Governance	8.82	5.47%	18.80
Mr. Devender Gupta [§]	Chief Financial Officer & Head Information Technology	7.41	NA	23.17
Mr. Ankit Jain ^{§§}	General Manager – Legal & Company Secretary	1.40	NA	9.18

* The Non-executive Directors and Mr. Ankesh Jain, Whole-time Director of the Company are entitled for sitting fees only. The details of the same are provided in Corporate Governance Report and is governed by the Nomination and Remuneration Policy. The ratio of remuneration and percentage increase for Non-executive Directors' remuneration is, therefore, not considered for the above purpose.

[®] During financial year under review, the terms of remuneration of the Chairman and Managing Director, Joint Managing Director, Whole-time Directors ("Managerial Personnel") have remained the same. The decrease in their remuneration is on account of the change in value of perquisites.

[#] Mr. Vinod Goel has ceased to be Company Secretary and Compliance Officer of the Company w.e.f. December 15, 2025 and has been appointed as Chief Financial Officer designated as Group CFO and Head Legal & Corporate Governance w.e.f. December 16, 2025.

[§] Percentage increase / decrease in remuneration is not reported as he was employed for part of the year and ceased to be employee of the Company w.e.f. December 15, 2025.

^{§§} Percentage increase / decrease in remuneration is not reported as he was appointed as Company Secretary and Compliance Officer w.e.f. December 16, 2025 only.

- b. The percentage increase / (decrease) in the median remuneration of employees in the financial year 2025-26: (1.57%)
- c. The number of permanent employees on the rolls of the Company as at March 31, 2026: 1,149
- d. Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average percentage increase in remuneration of employees other than managerial remuneration was 7.39%. The average percentage increase in the managerial remuneration for the year was 1.36%.
- e. It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of
Panacea Biotec Limited

Sd/-

Dr. Rajesh Jain
Chairman and Managing Director

Place : New Delhi
Date : August 13, 2026

Annexure to the Directors' Report

Annexure C

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Employee Name	Designation	Remuneration (₹ in million)	Nature of employment	Qualification	Experience (in years)	Date of Commencement of Employment	Age (in Yrs.)	Particulars of Last Employment: Name of Employer, Designation, Period of Service (Years)
A. Top 10 employees in terms of remuneration drawn during the financial year 2025-26:									
1.	Mr. Gurinder Pal Singh	Senior Vice President - Sales	9.56	Permanent employee	B.Sc.	37	01.08.2023	59	Panacea Biotec Pharma Ltd., Senior Vice President, 1 year
2.	Dr. Rajesh Jain	Chairman and Managing Director	9.00	Contractual	PGDM, Ph. D	42	15.11.1984	62	NA
3.	Mr. Vinod Goel	Group CFO and Head Legal & Corporate Governance	8.82	Permanent employee	M.Com, LLB, ACMA, FCS	39	13.01.1999	61	Prakash Industries Limited, Company Secretary, 9 years
4.	Mr. Sandeep Jain	Joint Managing Director	8.41	Contractual	Senior Secondary	42	15.11.1984	60	NA
5.	Dr. Naveen Kumar Jain	Senior Vice President - New Product Initiatives & Project Management	8.03	Permanent employee	Ph. D (Pharmacology)	31	01.08.2023	53	Panacea Biotec Pharma Ltd., Vice President - NPI & Project Management, 3.7 years
6.	Dr. Khalid Ali Syed	Chief Scientific Officer	7.85	Permanent employee	MBBS, MS & Ph.D	27	02.09.2021	50	MSD-Wellcome Trust Hilleman Laboratories, Director - Clinical R&D, 5.1 Years
7.	Mohammed Shafiqur Rahman*	Vice President - Regulatory Affairs	7.84	Permanent employee	M.Sc (Micro)	36	13.09.2003	63	Bharat Immunologicals and Biologicals Corporation Limited, Dy. General Manager - Quality Assurance, 38 years
8.	Dr. Amulya Kumar Panda	Associate Director	7.55	Permanent employee	Ph. D (Biochemical Engg & Biotechnology)	36	01.07.2021	65	National Institute of Immunology, Scientist-VII, 31 Years
9.	Mr. Devender Gupta*	Chief Financial Officer & Head Information Technology	7.41	Permanent employee	FCA., PGDM	29	12.12.2010	53	Kudos Chemie Ltd., Vice President-Finance, 1.5 Years
10.	Mr. Deepak Mahajan	Chief Operating Officer - Vaccine Operations	7.40	Permanent employee	M. Sc - Microbiology	26	17-07-2000	47	N.A
B. Employed for part of the year and in receipt of remuneration which in aggregate was not less than ₹8,50,000 per month									
Nil									

* Employed for part of the year.

Notes:

- Remuneration includes salary, commission on profits, house rent allowance, bonus, Company's contribution to Provident Fund, Leave Travel Allowance, Medical Assistance and all allowances paid in cash and monetary value of taxable perquisites wherever applicable and does not include provision for Gratuity / Retirement Benefits.
- There was no employee who was employed either throughout the financial year or part thereof, who was holding, either by himself or along with the spouse and dependent children, 2% or more of the Shares of the Company and drawing remuneration in excess of the remuneration drawn by Chairman and Managing Director / Joint Managing Director / Whole-time Director of the Company.
- The terms and conditions of employees at Sl. Nos. 2 & 4 of the above table are as approved by the Board of Directors and Shareholders based on the recommendation of Nomination and Remuneration Committee. Remuneration to rest of the employees mentioned in above table, was paid as per the policy / rules of the Company.
- None of the above employees is related to any of the Directors except that Dr. Rajesh Jain and Mr. Sandeep Jain are related to each other.
- The nature of duties of Chairman and Managing Director and Joint Managing Director: Dr. Rajesh Jain, Chairman and Managing Director - providing strategic direction, planning and visionary leadership, championing patient safety centrality, providing resources and support to culture of quality excellence and overseeing Company's financial performance, investments and ventures etc.; and Mr. Sandeep Jain, Joint Managing Director - Overseeing the matters relating to audit & compliances, tax laws, foreign exchange and other regulatory matters, corporate social responsibility including promoting MSME vendors and ensuring implementation of decisions of the Board and its various Committees.

For and on behalf of the Board of
Panacea Biotec Limited
Sd/-
Dr. Rajesh Jain
Chairman and Managing Director

Place : New Delhi
Date : August 13, 2026

Annexure to the Directors' Report

Annexure D

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March, 2026

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

To
The Members,
Panacea Biotec Limited
Regd. Office: Ambala-Chandigarh Highway,
Lalru - 140 501, Punjab

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Panacea Biotec Limited, a Company incorporated under the provisions of the Companies Act, 1956, vide CIN L33117PB1984PLC022350 and having its registered office at Ambala-Chandigarh Highway, Lalru-140501, Punjab (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, subject to our comments herein, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place.

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. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. 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;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021; - Not applicable for the financial year under review;
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - Not applicable for the financial year under review;
- 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 (De-listing of Equity Shares) Regulations, 2021; - Not applicable for the financial year under review;
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; - Not applicable for the financial year under review;
- vi. The management has identified the following laws as specifically applicable to the Company:
 - Drugs & Cosmetics Act, 1940;
 - Drugs (Control) Act, 1950;
 - Narcotic Drugs and Psychotropic Substances Act, 1985;
 - Dangerous Drugs Act, 1930;
 - Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
 - Epidemic Diseases Act, 1897;
 - Essential Commodities Act, 1955;
 - The Poisons Act, 1919; and
 - The Pharmacy Act, 1948.

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified by Central Government; and
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above. However, we have observed the following:

Annexure to the Directors' Report

- The Company has delayed payments to certain Micro and Small Enterprises beyond the period prescribed under Section 15 of the Micro, Small and Medium Enterprises Development Act, 2006. The Company has disclosed such delays in MSME Form I.
- During the period under review, there were 2 instances of inadvertent delays in filing certain routine statutory e-forms (IEPF-2 and MGT-14) with the Registrar of Companies (RoC). However, the Company has taken corrective action and subsequently all such pending e-forms have been filed with additional fees as on date of this report.

We further report that:

- During the period under review, 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 that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices were given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately 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.

- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes, wherever applicable.

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.

We further report that during the audit period, the Company has not entered into / carried out any specific events / actions which may have a major bearing on the Company's affairs.

For R&D Company Secretaries

Sd/-

Debabrata Deb Nath
Partner

FCS No.: 7775; CP No.: 8612

UDIN: F007775H001035142

Place: Delhi

Peer Review Certificate no. 8258/2026

Date : 06.08.2026

Unique Identification No. P2005DE011200

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.

Annexure A to the Secretarial Report

To

The Members

Panacea Biotech Limited

Ambala-Chandigarh Highway,

Lalru-140 501, Punjab

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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 R&D Company Secretaries

Sd/-

Debabrata Deb Nath
Partner

FCS No.: 7775; CP No.: 8612

UDIN: F007775H001035142

Place: Delhi

Peer Review Certificate no. 8258/2026

Date : 06.08.2026

Unique Identification No. P2005DE011200

Annexure to the Directors' Report

Annexure E

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March, 2026

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

To
The Members

Panacea Biotec Pharma Limited

Regd. Office: Sampann Block, Ambala-Chandigarh, Highway
Village Samalheri, Lalru - 140501, Mohali, Punjab

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Panacea Biotec Pharma Limited, a Company incorporated under the provisions of the Companies Act, 2013, vide CIN U24299PB2019PLC068319 and having its registered office at Sampann Block, Ambala-Chandigarh, Highway, Village Samalheri, Lalru-140501, Mohali, Punjab, hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, subject to our comments herein, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place.

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; Not applicable as the Company is an Unlisted Company.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"); - Not applicable as the Company is an Unlisted Company;
 - 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;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - 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
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- vi. The management has identified the following laws as specifically applicable to the Company: :
 - Drugs & Cosmetics Act, 1940;
 - Drugs (Control) Act, 1950;
 - Narcotic Drugs and Psychotropic Substances Act, 1985;
 - Dangerous Drugs Act, 1930;
 - Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
 - Epidemic Diseases Act, 1897;
 - Essential Commodities Act, 1955;
 - The Poisons Act, 1919; and
 - The Pharmacy Act, 1948.

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified by Central Government; and
- ii. The Listing Agreements entered into by the Company with Stock Exchanges: Not applicable as the Company is an Unlisted Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, we have observed the following:

Annexure to the Directors' Report

- The Company has delayed payments to certain Micro and Small Enterprises beyond the period prescribed under Section 15 of the Micro, Small and Medium Enterprises Development Act, 2006. The Company has disclosed such delays in MSME Form I.

We further report that:

- During the period under review, the Board of Directors of the Company was duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately 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.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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.

We further report that during the audit period, the Company has not entered into / carried out any specific events / actions

which may have a major bearing on the Company's affairs except the following:

- The Company, at its Extraordinary General Meeting held on December 03, 2025, approved the shifting of its registered office from the National Capital Territory (NCT) of Delhi to the State of Punjab, subject to the confirmation/approval of the Central Government through the Office of the Hon'ble Regional Director, Northern Region. The Hon'ble Regional Director, vide its Order dated 6th March, 2026, approved the said shifting. Pursuant thereto, the Registrar of Companies issued a fresh Certificate of Registration on 12th May, 2026, consequent to which the Corporate Identification Number (CIN) of the Company was changed to U24299PB2019PLC068319.

For R&D Company Secretaries

Sd/-

Debabrata Deb Nath
Partner

FCS No.: 7775; CP No. : 8612

UDIN: F007775H000990011

Place: Delhi

Peer Review Certificate No. 1403/2021

Date : 31.07.2026

Unique Identification No. P2005DE011200

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.

Annexure A to the Secretarial Report

To

The Members

Panacea Biotech Pharma Limited

Regd. Office: Sampann Block, Ambala-Chandigarh, Highway

Village Samalheri, Lalru - 140501, Mohali, Punjab

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

- 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.
- We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

- 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 procedure on test basis.

- 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 R&D Company Secretaries

Sd/-

Debabrata Deb Nath
Partner

FCS No.: 7775; CP No. : 8612

UDIN: F007775H000990011

Place: Delhi

Peer Review Certificate No. 1403/2021

Date : 31.07.2026

Unique Identification No. P2005DE011200

Business Responsibility & Sustainability Report

This Business Responsibility & Sustainability Report ("BRSR") for the financial year ended March 31, 2026 conforms to the Business Responsibility & Sustainability Reporting requirement pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), which has mandated the inclusion of BRSR as part of the Company's Annual Report for top 1000 listed entities based on market capitalisation (calculated as on December 31 of every financial year) and the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs, Government of India.

While the Company is not falling under the category of top 1000 listed entities based on the market capitalisation as on December 31, 2025, however, in view of the provisions of Regulation 3(2) of SEBI LODR Regulations, the Company is voluntarily continuing to comply with relevant provisions of BRSR that were applicable to it based on the market capitalisation of previous year(s).

The Company has not instituted any process to monitor / verify whether any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L33117PB1984PLC022350
2.	Name of the Listed Entity	Panacea Biotec Limited
3.	Year of incorporation	1984
4.	Registered office address	Ambala-Chandigarh Highway, Lalru, Punjab – 140501, India
5.	Corporate office address	B-1 Extn. / A-27, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110044, India
6.	E-mail	companysec@panaceabiotec.com
7.	Telephone	+91-11-41679000, 41578000
8.	Website	www.panaceabiotec.com
9.	Financial year for which reporting is being done	Start Date End Date
	Current Financial Year	01.04.2025 31.03.2026
	Previous Financial Year	01.04.2024 31.03.2025
	Prior to Previous Financial Year	01.04.2023 31.03.2024
10.	Name of the Stock Exchange(s) where shares are listed	a. National Stock Exchange of India Ltd. (NSE) b. BSE Ltd. (BSE)
11.	Paid-up Capital	₹222,620,746
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.	
	Name	Mr. Ankit Jain, Company Secretary
	Contact	+91-11-41679015
	E-mail	ankitjain@panaceabiotec.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products / Services

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

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
(i)	Pharmaceuticals	Manufacturing of pharmaceuticals, medicinal, chemical and botanical products	100%

17. Products / Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product / Service	NIC Code	% of total turnover contributed
(i)	Manufacturing of pharmaceuticals, medicinal, chemical and botanical products	210	100%

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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	3*	2	5
International	0	1	1

* The plants include manufacturing locations and R&D Centres.

19. Markets served by the entity

- a. Number of locations:

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	~37 countries in Africa, Asia and Latin America

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

In the reporting year, the exports contributed ~65% of total turnover of the Company.

- c. A brief on types of Customers

The Company is one of the largest suppliers of vaccines to multilateral agencies like UNICEF, PAHO, etc. and is supplying vaccines to institutional customers and national Governments. The Company also sells its products to customers in private markets through stockiest, retailers and medical professionals.

IV. Employees

20. Details as at the end of Financial Year

- a. Employees and workers (including differently abled):

S. No. Particulars		Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	688	569	82.70%	119	17.30%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	688	569	82.70%	119	17.30%
Workers						
4.	Permanent (F)	461	450	97.61%	11	2.39%
5.	Other than Permanent (G)	157	144	91.72%	13	8.28%
6.	Total workers (F + G)	618	594	96.12%	24	3.88%

- b. Differently abled Employees and Workers:

S. No. Particulars		Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled Employees						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	-	-	-	-	-
Differently abled Workers						
4.	Permanent (F)	1	1	100%	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	1	1	100%	-	-

21. Participation / Inclusion / Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	11 [#]	1	9.09%
Key Management Personnel*	7	-	-

* Dr. Rajesh Jain, Chairman and Managing Director, Mr. Sandeep Jain, Joint Managing Director and Mr. Ankesh Jain, Mr. Harshet Jain & Dr. Sanjay Trehan, Whole-time Directors are members of the Board of Directors and also considered as Key Managerial Personnel.

[#] As on 31.03.2026, there were 11 directors on the Board of Directors of the Company. Mr. Mukul Gupta, Independent Director ceased to be director on 31.03.2026.

22. Turnover rate for permanent employees and workers

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	39%	40%	39%	33%	24%	31%	39%	25%	37%
Permanent Workers	49%	31%	48%	34%	-	34%	34%	-	34%

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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 / subsidiaries / 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	Panacea Biotec Pharma Limited	Subsidiary	100%	No
2	Meyten Realtech Private Limited	Subsidiary	100%	No
3	Panacea Biotec (International) SA	Subsidiary	100%	No
4	Panacea Biotec Germany GmbH	Indirect subsidiary	100%	No
5	Panacea Biotec Inc.	Indirect subsidiary	100%	No
6	PanEra Biotec Private Limited	Associate	50%	No
7	Adveta Power Private Limited	Joint Venture	50%	No

VI. Corporate Social Responsibility (CSR) Details

24. (i)	Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes / No)	No
(ii)	Turnover (in ₹ million)	4,134.92
(iii)	Net worth (in ₹ million)	(487.92)

VII. Transparency and Disclosures Compliances

25. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes / No) (If yes, then provide web-link for 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	-	-	-	-	-	-
Investors (other than shareholders)	No	NA	NA	NA	NA	NA	NA
Shareholders	Yes	-	-	-	-	-	-
Employees and workers	Yes	-	-	-	-	-	-
Customers	Yes	2	0	-	10	0	-
Value Chain Partners	Yes	-	-	-	-	-	-

*The policies relating to grievance redressal mechanism are available at the Company's website at <https://www.panaceabiotec.com>. In addition, there are internal policies placed on the intranet of the Company.

26. Overview of the entity's material responsible business conduct issues:

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	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	Product Quality, Safety and Availability	Risk	It is critical to address risks relating to product quality and safety issues. Non-availability of products may lead to loss of business	- Strict adherence to quality standards, procedures and policy of the Company. - Compliance with cGMP, GLP practices, Pharmacovigilance processes and SOPs. - Adoption of technological interventions, training on cGMP standards, automation and digitalisation, and employee capacity-building. - Qualifying and reviewing vendors on quality parameters as per the policy.	Positive: Consistent product quality and safety ensures sustainable business and relations with stakeholders. Availability of products across the markets helps in increasing market share and customer satisfaction. Negative: These issues, if not addressed on time, can have serious impact on the business operations, lead to penalties and litigations.
2	Business Ethics and Corporate Governance	Risk	External regulatory environment on corporate ethics and corporate	There are established robust guiding principles within the Company to ensure ethical functioning across	Positive: Adherence to good governance practices and ethical standards will lead to long-term

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	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)
			governance is dynamic in nature. Ethical business standards, and framework keep evolving and needs regular improvement and readiness.	the value chain. The Company has a code of conduct for board members, senior management, employees, suppliers, vendors and contractors which aligns with their commitments of ethical and transparent business practices.	sustainable value creation for all the stakeholders.
3	Cyber Security Risk and Data Privacy		The cyber-attacks are increasing in the current environment and such attacks may directly impact the Company's operations and business. It is equally important to protect and maintain all the data of the Company.	- The Company ensures regulatory compliance across its operations/markets through proactive interaction with regulatory organisations, to reduce the risk of non-compliance. - The Company has implemented several measures to protect its data from any internal or external threats. The IT security systems are regularly evaluated and updated to ensure continuous effectiveness thereof. - The Company keeps creating and enhancing awareness of its employees via periodic internal emails related to safe practices surrounding data security, protection against potential phishing emails, and prevention of cyber-attacks.	Negative: The Company's reputation and business continuity may be negatively impacted in the long-run due to non-compliance with regulatory standards. Positive: Cutting-edge technology, digitalisation, and data integrity principles ingrained in processes ensures compliance with data security and privacy laws, protects against data loss, and facilitates productivity improvement, ultimately leading to sustainable growth in the long term. Negative: Absence of mechanism for data integrity and protection may result in the loss of valuable data that may adversely impact the business.
4	R&D and Innovation Management	Opportunity	Development of innovative products using cutting edge technologies and investments is required to ensure sustainable future growth.	The Company has in-house R&D Centres equipped with state-of-the art infrastructure and scientific manpower for undertaking research and development activities from pre-clinical to clinical development of its products.	Positive: Creation of a robust portfolio of innovative products helps staying ahead of the competition, expanding the business across the markets and creating wealth for all the stakeholders.
5	Human Capital Development	Opportunity	Pharmaceutical industry is a knowledge-based industry and is highly dependent on specialized manpower. Ability to attract and retain skilled, trained and experienced human resources have become critical due to evolution of knowledge-based economy.	- The Company undertakes several initiatives to attract and retain talent through development programs, competitive remuneration, inclusive work culture and other employee benefits programs. - Employee skill enhancement through continuous training and development within and outside the Company. - Engagement of external consultants to provide training in specialized areas to improve skills of employees engaged in specific areas. - The Company is also working on improving the strength of woman power in the overall employee strength. - The Company is an equal opportunity employer.	Positive: A well trained, skilled and motivated manpower help in increased productivity which is crucial for future sustainable growth.
6	Environmental Impact Management	Risk	Non-availability of water in adequate quantity and requisite quality may impact the production and operations of the Company. It is critical to reduce the water usage through	- The Company continuously identifies opportunities to manage its environmental impact. The Company is working on further improvements for water conservation and waste management. - The Company focuses on reduced	Negative: Failure to manage environmental impacts can lead to suspension of licenses to operate the facilities, adverse legal/regulatory actions leading to financial consequences, loss of reputation and stakeholders' trust.

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	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)
			optimum utilization and recycling process to create a positive environmental footprint. Focused efforts for reduced waste generation and proper disposal thereof are also important to protect the environment.	consumption and reusage of water, prevents leaks, and embraces technologies with lower water intensities. The Company ensures that the hazardous waste generated by its operations is safely handled and disposed in an environmentally responsible manner.	
7.	Climate Change	Risk	It is critical to manage the emissions of green house gases (GHG) to protect the climate.	- The Company has undertaken several measures to reduce the carbon footprint. These measures include using of groundnut briquette as fuel for the boilers instead of furnace oil. It has also shifted towards using piped natural gas (PNG) as fuel for boilers / generators. - The Company is undertaking a detailed exercise to develop a long-term strategic plan to reduce the carbon emissions in order to mitigate the risk.	Negative: Failure to reduce the carbon emission over long term may impact the Company's business with multilateral agencies and other valuable customers which are stressing on complying with global standards for reducing GHG emission. Positive: Adoption of climate change mitigation plans shall have positive impact on the Company's business because of process improvement, energy efficiency, and improved relations with stakeholders.
8.	Promoting Diversity, Equity and Inclusivity	Opportunity	Diversity, inclusivity and providing equal opportunities improves the Company's performance by bringing together people with varied knowledge, views and perspectives.	-	Positive: A diverse and inclusive workforce from different genders, age and special abilities brings a sense of togetherness and enables a productive environment.
9.	Occupational Health and Safety	Risk	It is important to maintain the occupational health and safety in the organization. Lack of proper health and safety management programs may lead to health and safety incidents.	- The Company has a strong Environment health and safety (EHS) management system that includes regular internal and external audits of its EHS practices. - Adoption of a detailed corrective action plan post identification of hazards and assessment of safety incidents help in preventing any such instances in the future.	Negative: Frequent health and safety incidents will have a negative influence on the Company's performance in terms of both safety and workforce well-being. This will impact the brand image, reputation and the Company's ability to attract and retain talent.
10	Ethical Conduct of Clinical Trials and Animal Testing	Risk	Clinical Trials are integral part of product development in the pharmaceutical industry. There is a need to address risks associated with clinical trials and animal testing especially around the ethical and safety related concerns of trials on human subjects and animal testing. Adverse events reported during the animal testing or clinical trial can delay product development leading to increase in cost and loss of gaining business opportunity	- The Company complies with all the relevant regulatory requirements governing clinical trials and animal testing. The Company has dedicated in-house teams responsible for ensuring adherence to these regulations, which involve obtaining necessary approvals, permits, and maintaining thorough documentation. - The Company also undertakes post marketing surveillance studies to monitor the impact of new product launches. - Long-term safety studies are also undertaken for some of the innovative products in order to assess and measure safety parameters over a longer time horizon.	Negative: Not following good clinical practices while conducting animal testing or clinical trials can have impact on the efficacy and safety of the products. It can also attract adverse regulatory / legal action, lead to financial damages and reputation loss and have a negative impact on participant's health and safety. Delays at any stage can also prolong the overall timeline for drug development leading to increased costs.

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	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)
			besides creating negative public perception.	- The Company also engages clinical research organizations (CROs) with proven track record and experience in conducting the clinical trials on humans wherever considered necessary. - The Company has taken adequate insurance policy covering the risks associated with clinical trials to safeguard its interest against any potential loss.	
11	Community Engagement And Development	Opportunity	Engagement with nearby community helps the Company to build confidence and gain trust of the community. The interest and well-being of the community should be kept in consideration while setting up the plants and conduct of business operations. Continuous engagement with community prevents the risks of conflicts and creates positive image of the Company.	The Company has a mechanism in place to engage with the nearby community and works closely with them to address any issues faced by them. The Company also undertakes various activities for community engagement and development.	Positive: Community engagement and development helps in building good perception about the Company among the local community members. The Company's reputation can also increase by undertaking various initiatives for community's upliftment including focus on health, education, rural infrastructure development, sanitation and environment conservation among others. These efforts also help to promote positive social outcomes.
12	Supply Chain Management	Risk	There are some materials for which the Company is dependent on single source of supply. Such suppliers can disrupt supplies and dictate their terms. The Company also imports some of the critical materials from outside India. During spread of any global pandemic supplies from outside may be affected. These factors can disrupt operations resulting in lower sales and negative impact on the Company's profitability and reputation.	The Company has entered into long-term supply agreements for key materials having single source suppliers. The Company also maintains adequate inventories to take care of any temporary non-availability of imported materials. The Company is also proactively working towards expanding its supplier base and adding alternative suppliers, in order to minimize any risk associated with supply chain interruptions.	Negative: Supply chain related risks can disrupt production activities, delay in supply of products to customers, loss of business contract and attract penalty on account of failure / delay in supply of the products on time. All these can adversely impact the Company's profitability and reputation as a reliable supplier.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies & processes put in place towards adopting the National Guidelines on responsible Business Conduct ("NGRBC") Principles and Core Elements.

National Guidelines on Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

Principle 1 (P1): Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable.

Principle 2 (P2): Businesses should provide goods and services in a manner that is sustainable and safe.

Principle 3 (P3): Businesses should respect and promote the well-being of all employees, including those in their value chains.

Principle 4 (P4): Businesses should respect the interests of and be responsive towards all its stakeholders.

Principle 5 (P5): Businesses should respect and promote human rights.

Principle 6 (P6): Businesses should respect and make efforts to restore the environment.

Principle 7 (P7): Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Principle 8 (P8): Businesses should promote inclusive growth and equitable development.

Principle 9 (P9): Businesses should engage with and provide value to their consumers in a responsible manner.

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Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Yes								
	b. Has the policy been approved by the Board? (Yes / No)	Yes. All the policies have been formulated in consultation with the relevant stakeholders of the Company. Some of the policies have been approved by the Board as per relevant statutory requirements.								
	c. Web Link of the Policies, if available	Relevant statutory policies and code of conduct are available on the Company's website and can be viewed at: https://www.panaceabiotec.com/en/section/information-repository/policy								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes, wherever applicable the procedures have been defined.								
3.	Do the enlisted policies extend to your value chain partners? (Yes / No)	Yes, the Company's Supplier Code of Conduct largely includes the above-mentioned principles and the value chain partners are expected to comply with the requirements outlined therein.								
4.	Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusted) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• National Guidelines on Responsible Business Conduct (NGRBC), • United Nations Global Compact (UNGC), • United Nations Guiding Principles on Business and Human Rights (UNGPs), • Environment Management System – ISO 14001: 2015, • Occupational Health and Safety Management System– ISO 45001: 2018, • Extended Producers Responsibility (EPR) - Plastic Waste Management, • Good Manufacturing Practice (GMP) compliance certification for manufacturing facilities								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is working with various stakeholders for setting up goals and targets to be achieved by 2030.								
6.	Performance of the entity against the specific commitments, goals and targets alongwith reasons in case the same are not met.	Not applicable								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	The Company aims to become one of the leading biotechnology Company. We recognize the importance of conducting business in a responsible and sustainable manner. We are implementing sustainability practices, accountability and transparency across our operations and value chain. As part of our efforts to integrate sustainability in our business we are developing a robust ESG framework, which is being built on the principles of operating responsibly and growing sustainably. At Panacea Biotec, we are committed to embedding sustainability across our operations as a driver of resilience and long-term value creation. To achieve our sustainable operations targets, we have conducted detailed operational assessments to identify emission hotspots and establish site-specific decarbonization pathways. Complementing this, we completed water-use assessments across all manufacturing facilities to minimize freshwater consumption - with plans for ongoing evaluations - and are actively enhancing our waste management practices to achieve Zero Waste to Landfill in India by the end of calendar year 2026. To sustain these efforts, we actively conduct ESG-focused employee training to eliminate waste, optimize processes, and accelerate our journey toward Net Zero. In alignment with these goals, we would like to initiate a precursor discussion regarding the UNICEF and DCVMN-supported project: "GHG emissions reduction and abatement selection blueprint, net zero roadmap, and Science-Based targets submission guidance for capacity building among vaccine manufacturers for increased environmental sustainability in the vaccine supply chain." Through this engagement, our primary objective is to establish robust sustainability benchmarking and define Science Based Targets initiative (SBTi) goals to enhance environmental sustainability across the vaccine supply chain. During financial year 2025-26, our sustainability initiatives delivered measurable impact: • 165 tCO₂ emissions avoided • 58.6 tonnes of plastic recycled and 97.3 tonnes of plastic eliminated • 690 litres of oil recycled • 58.84 million litres of water treated and reused • 74.78 tonnes of waste effectively managed These achievements reflect our systematic approach: conducting detailed assessments of emission hotspots, developing decarbonisation pathways for individual sites, and auditing water usage across facilities to identify opportunities for reducing fresh water consumption.								

Governance, leadership and oversight

Social Responsibility: We believe our growth is inseparable from the well-being of our employees, communities, and stakeholders. Panacea Biotec employs ~1,500 employees, representing diversity in culture, gender, demographics, and expertise. We foster a safe, healthy, and competitive workplace that enables innovation and supports professional growth.

Beyond our workforce, we have a deep social impact through our products and outreach. In the past three years, we have reached over 50 million babies in low- and middle-income countries (LMICs) with life-saving vaccines and health solutions. Our consumer healthcare expansion - including the launch of NikoMom diapers and wet wipes in India — reflects our commitment to addressing everyday needs of families while maintaining high standards of safety and quality. We have donated 1,25,000 doses of Easyfive-TT® (a pentavalent vaccine) to the Republic of Cuba during FY2022-23.

We are proud to have been recognized by Incredible Workplaces (Gold Category Award 2025) and awarded a Vision Zero India Safety Rating (3-Star, 2024), reinforcing our focus on people-first growth.

We are committed to the United Nations Sustainable Development Goals (SDG) - as part of our activities, we undertake multiple activities and create impact with over 11 UN SDG's are defined below:

SDG	Alignment with Panacea Biotec
SDG 2: Zero Hunger	Vaccines and Nutritional products for children
SDG 3: Good Health & Well-being	Vaccine development, disease prevention, and healthcare innovation.
SDG 5: Gender Equality	Employee engagement policies promoting diversity and equal opportunities.
SDG 6: Clean Water & Sanitation	Ensuring water sustainability in pharmaceutical manufacturing.
SDG 8: Decent Work & Economic Growth	Job creation, career development, and a fair workplace.
SDG 9: Industry, Innovation & Infrastructure	Biotech innovation, sustainable pharma production, and R&D.
SDG 12: Responsible Consumption & Production	Sustainable pharma processes, waste reduction, and ethical sourcing.
SDG 13: Climate Action	Carbon footprint reduction and eco-friendly manufacturing.
SDG 14: Life Below Water	Reducing pharmaceutical waste that impacts water ecosystems and waste water treatment facilities to eliminate environmental impact.
SDG 16: Peace, Justice, and Strong Institutions	Implemented ethics and anti-corruption policies and Code of Conduct.
SDG 17: Partnerships for the Goals	Collaborations with WHO, Gavi, Universities, and NGOs.

Governance and Ethical Practices: The Company follows the highest standard of corporate governance and ethical practices. The Company has a strong governance system to ensure regulatory compliance and internal compliances. The corporate governance system has a detailed set of practices, processes and regulations to meet the interests of all our stakeholders. The Company has a Board of Directors ('Board') that have leaders having a broad spectrum in terms of perspective, experience, expertise, gender, and culture, enriching our Company. Our Board members have rich experience of corporate functions and guide our efforts to achieve our business and sustainability goals. The Board has a committee viz. Risk Management Committee to identify the potential risks, suggest ways and strategies to mitigate these risks.

As part of long-term strategy, the Company also aims to implement robust ESG program in detailed and in a quantifiable manner to evaluate the impact on the environment, society, and governance practices arising from its day-to-day business activities by prioritizing ESG issues, developing an ESG Strategy, integrating ESG strategy with business strategy developing a robust ESG governance process and evaluation of ESG performance and monitoring.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

The business responsibility policies of the Company are broadly managed by the Board of Directors, Chairman and Managing Director, Director Technical & Compliances and the concerned departmental head(s).

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 Company has a Risk Management Committee of the Board of Directors which is also responsible to oversee all aspects of sustainability and ESG.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee	Frequency (Annually / Half yearly/ Quarterly/ Any other – please specify)																	
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the Board or authorized team members																		
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Committee of the Board or authorized team members																		

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
No, the Company does not conduct an independent assessment using external agencies, however, it internally reviews the working of the above mentioned policies.								

12. If answer to Question (1) above is "No" i.e. not all principles are covered by a policy, reasons to be stated.

NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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 Key Managerial Personnel	8	The Company conducts awareness programmes for its Board of Directors at regular intervals which covers topics such as ESG parameters and targets, corporate governance practices, various other industry, business and regulatory updates	100%
Employees other than BoD and KMPs Workers	402	The employees / workers undergo various trainings / awareness sessions such as induction training at the time of joining and leadership, policy, technical and compliance training during the course of employment.	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 (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI LODR Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine	NA	NA	Nil	NA	NA
Settlement	NA	NA	Nil	NA	NA
Compounding fee	NA	NA	Nil	NA	NA
Non - Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA		NA	NA
Punishment	NA	NA		NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy?
Yes, the Company has an Anti-Corruption Compliance Policy. The Company is committed to conduct all aspects of its business in keeping

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with the highest legal and ethical standards and expects all its employees and other persons acting on its behalf to uphold this commitment. Accordingly, the Company has adopted a Zero-Tolerance approach to bribery and corruption. In accordance with this commitment, the Company has adopted Anti-Corruption Compliance Policy ('Policy') which clearly specifies this intent of the Company and is applicable to all the directors, officers, employees, agents, representatives and other associated persons of the Company (collectively "Company Personnel").

Under this Policy, the adherence to this Policy, prevention, detection and reporting of any act of Bribery or Corruption is the responsibility of all the employees of the Company. All the employees are required to avoid any activity that might lead to or suggest a breach of this Policy. In terms of the Policy, any gift or entertainment which is not proportionate and reasonable and which is not consistent with the normal business practice of developing and maintaining business relationship should not be accepted or offered. The Anti-Corruption Policy is available on website of the Company under the link, https://media.panaceabiotec.com/policy/2019/Anti_Corruption_Policy.pdf.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption

	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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 the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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)

Particulars	FY 2025-26	FY 2024-25
Number of days of accounts payable (Please provide calculation as well)	158	230

9. Openness of business:

Provide details of concentration of purchases and sales with trading houses, dealers and related parties alongwith loans and advances & investments, with related parties:

Parameters	Metrics	FY 2025-26	FY 2024-25
Concentration of purchases	a. Purchases from trading houses as % of total purchases	N.A.	N.A.
	b. No. of trading houses where purchases are made from	N.A.	N.A.
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	N.A.	N.A.
Concentration of sales	a. Sales to dealers / distributors as % of total sales	8.52%	10.99%
	b. No. of dealers / distributors to whom sales are made	735	532
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	21.44%	21.62%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	1.08%	0.02%
	b. Sales (Sales to related parties / Total Sales)	0.84%	0.00%
	c. Loans & Advances (Loans & advances given to related parties / Total loans & advances)	82.83%	81.24%
	d. Investments (Investments in related parties / Total Investments made)	98.30%	98.30%

Leadership Indicators:

1. 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's Code of Conduct requires all of its personnel including Board members to act in the best interest of the Company that they do not enter into any transaction or business or personal association which may involve any conflict of interest with the operations of the Company. In case of any actual or potential conflicts of interest, the concerned personnel including Board members are required to make disclosures of such conflicts and seek appropriate approvals as required by applicable law and as per the Company's policies.

The Company has adopted a Policy for Related Party Transactions. In terms of the said policy, all the Related Party Transactions are in the ordinary course of business and on arm's length basis and are approved by the Audit Committee (Independent Directors), Board and Shareholders, wherever required.

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The Board members give disclosure of interest in other persons / entities annually as well as whenever there is a change and the same is placed before the Board for its information. The Audit Committee of the Board of Directors evaluates and approves all related party transactions as per the requirements of the Policy on Related Party Transactions as approved by the Board. All contracts / arrangements / transactions entered by the Company during the year under review with the related parties were approved by the Audit Committee and the Board of Directors and were undertaken in the ordinary course of business and on an arm's length basis.

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

Essential Indicators:

- 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	100%	100%	The R&D expenditure incurred on various technologies is focused on improving the environmental or social impacts of the Company's products / processes.
Capex*	3.03%	25.58%	Equipments purchased for R&D.

*Including capital work in progress.

- Does the entity have procedures in place for sustainable sourcing? (Yes / No): Yes.
 - If yes, what percentage of inputs were sourced sustainably?
100%. The Company majorly sources its input materials from the suppliers abiding by Company's Code of Conduct as applicable to them. The Company is in the process of upgrading its internal systems to capture this data point.
- 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
Due to the nature of the Company's business, the Company does not reclaim any products for reusing, recycling and dispose these items at the end of life for plastics, e-waste, hazardous and other wastes, as it is not applicable.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
Yes, the Company has implemented a robust system for collecting and recycling plastic waste including multi-layered packaging generated due to its products as per the EPR regulations. The recycling and disposal of the reclaimed plastics (including packaging) is carried out as per the Government rules and the provisions of the Plastic Waste Management Rules. We have engaged a waste management agency to collect and recycle plastic waste in accordance with regulatory norms.

Principle 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators:

- 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	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees:											
Male	569	569	100%	569	100%	NA	NA	NA	NA	364	63.97%
Female	119	119	100%	119	100%	119	100%	NA	NA	81	68.08%
Total	688	688	100%	688	100%	119	17.30%	NA	NA	445	64.68%
Other than Permanent employees:											
Male	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

- Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers:											
Male	450	450	100%	450	100%	NA	NA	NA	NA	392	87.11%
Female	11	11	100%	11	100%	11	100%	NA	NA	11	100%
Total	461	461	100%	461	100%	11	2.39%	NA	NA	403	87.42%
Other than Permanent workers:											
Male	144	0	0%	0	0%	NA	NA	NA	NA	97	67%
Female	13	0	0%	0	0%	13	100%	NA	NA	13	100%
Total	157	0	0%	0	0%	13	8%	NA	NA	110	70%

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- 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	1.44%	1.80%

2. Details of retirement benefits:

	FY 2025-26			FY 2024-25		
Benefits	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Provident Fund (PF)	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
Employees' State Insurance (ESI)	3.74%	53.74%	Y	2.88%	59.70%	Y

3. Accessibility of workplaces

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

Yes, the premises / offices of the Company are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

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 Company follows the policy of equal opportunity employer as per the Rights of Persons with Disabilities Act, 2016.

5. Return to work and Retention rates of permanent employees and workers that took parental leave during financial year 2025-26.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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

Category	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. The Company has a Grievance Redressal Policy available on Darwin Box-HRMIS. The Company provides a grievance redressal procedure as part of its Whistle Blower Policy and encourages all its employees and workers to report any instances of unethical behaviour, incidents, fraud, or violations. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. Employees / workers can file any complaints / grievances related to sexual harassment under this mechanism. Further, all the employees are informed that the Grievance Redressal Policy, Whistle Blower Policy and provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 can be accessed from the Company's website under investor relation section, regardless of their work location.
Other than Permanent Workers	-do-
Permanent Employees	-do-
Other than Permanent Employees	-do-

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

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:						
Male	569	0	0%	638	0	0%
Female	119	0	0%	126	0	0%
Total	688	0	0%	764	0	0%
Total Permanent Workers:						
Male	450	0	0%	524	0	0%
Female	11	0	0%	2	0	0%
Total	461	0	0%	526	0	0%

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8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees:										
Male	569	569	100%	569	100%	638	638	100%	638	100%
Female	119	119	100%	119	100%	126	126	100%	126	100%
Total	688	688	100%	688	100%	764	764	100%	764	100%
Workers:										
Male	450	450	100%	450	100%	524	524	100%	524	100%
Female	11	11	100%	11	100%	2	2	100%	2	100%
Total	461	461	100%	461	100%	526	526	100%	526	100%

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees:						
Male	569	569	100%	638	638	100%
Female	119	119	100%	126	126	100%
Total	688	688	100%	764	764	100%
Workers:						
Male	450	450	100%	524	524	100%
Female	11	11	100%	2	2	100%
Total	461	461	100%	526	526	100%

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage of such system?
Yes, the Company has implemented an occupational health and safety management system in place. The system covers all its employees, contract workers and others working with the Company to ensure that the Company meets its legal obligations and provides a safe and healthy working environment for its employees.
- 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 undertakes periodic reviews to monitor compliance and identify and assess work-related hazards in a timely manner. The Company also provides Environment Health and Safety (EHS) training to all its personnel. The Company's process safety management system supports the implementation of best safety practices. Identification of potential risks are also undertaken through designed checklists, Hazard and Operability Studies (HAZOP), Hazard Identification and Risk Assessment (HIRA) and other consequence modelling studies.
- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes / No)
Yes
- Do the employees / workers of the entity have access to non-occupational medical and healthcare services? (Yes / No)
Yes, the Company provides its employees and workers with non-occupational medical and healthcare services. Moreover, the Company ensures that all of its employees and workers have access to medical insurance.

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	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

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12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company fosters an environment that ensures a safe and healthy workplace for all its employees & workers and third party employees who work in its premises. It promotes continuous identification and monitoring of hazards and controlling risks whilst making sure that the risk controls in place are effective.

Further, the Company is committed to upholding legal and regulatory standards concerning pollution control, worker safety, and the health of employees, workers and contract workers. The EHS team plays an active role in promoting waste reduction, reuse, and recycling efforts. All production facilities are certified under ISO 14001 and ISO 45001, ensuring thorough environmental and safety management. The Company's health and safety system extend to all internal and external stakeholders, including its employees, workers, suppliers, and contract workers and serves as a comprehensive statement addressing essential work-related issues. In terms of fire safety, all manufacturing plants have well-established fire protection and prevention systems.

13. 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 year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

In case any case is reported, the observations of the audit are recorded, corrective actions planned and tracked. The feedback is provided to the auditing agency for their agreement.

Leadership Indicators:

1. Does the entity extend any life insurance or any compensatory package in the event of death of:

(A) Employees (Y / N) : Yes, the Company has group accidental insurance policy.

(B) Workers (Y / N) : - do -

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company obtains necessary proofs from the value chain partners in respect of the statutory dues deducted and deposited by them.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been / are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

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.

The Company regularly engages with a number of stakeholders including employees, shareholders, customers, suppliers, government agencies, industry associations, not for profit organizations and communities. The Company identifies key stakeholders group on the basis of industry dynamic, business model and the influence and impact they have on the Company.

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2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually / Half yearly / Quarterly / others, please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Leadership development training, Performance Evaluation, Continuous Feedback, Employee induction, Email communications.	Periodical / need based	Training and development of employees, health and safety, career growth and quality of work & life.
Shareholders	No	Annual Reports, Quarterly Results, Company Website and intimation to Stock exchanges	Quarterly / annual / need based	Transparency, Good Governance, building reputation and brand image
Customers	No	Virtual meetings / email communications / visits	Need based	Market opportunities, business growth, end customer feedback, business forecast
Suppliers	No	Virtual meetings / email communications / visits	Need based	Supply chain matter, quality compliance, forecast and delivery of products
Government agencies	No	Applicable reports, intimations, virtual / physical meetings	Periodical / need based	Ensuring timely compliance with applicable laws, industry matters
Local communities	No	Interaction with community Members	Need based	Addressing any specific issues, creating awareness, local employment generation

Principle 5: Businesses should respect and promote human rights

Essential Indicators:

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees:						
Permanent	688	454	66%	764	474	62%
Other than permanent	0	NA	NA	0	NA	NA
Total Employees	688	454	66%	764	474	62%
Workers:						
Permanent	461	290	63%	526	347	66%
Other than permanent	157	88	56%	176	92	52%
Total Workers	618	378	61%	702	439	63%

2. Details of minimum wages paid to employees and workers:

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										
Male	569	9	1.58%	560	98.42%	638	9	1.4%	629	98.6%
Female	119	1	0.84%	118	99.16%	126	1	0.8%	125	99.2%
Other than permanent										
Male	0	NA	NA	NA	NA	0	NA	NA	NA	NA
Female	0	NA	NA	NA	NA	0	NA	NA	NA	NA
Workers:										
Permanent										
Male	450	138	30.67%	312	69.33%	524	138	26.3%	386	73.7%
Female	11	10	90.90%	1	9.10%	2	1	50.0%	1	50.0%
Other than permanent										
Male	144	144	100%	0	NA	158	158	100.0%	0	NA
Female	13	13	100%	0	NA	18	18	100.0%	0	NA

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3. Details of remuneration / salary / wages:

a. Median remuneration / wages (in million):

(₹ in million)

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	4	6.02	0	NA
Key Managerial Personnel (KMP)	2	7.53	0	NA
Employees other than BoD and KMP	563	0.61	119	0.50
Workers	450	0.31	11	0.15

b. Gross wages paid to females as a % of total wages paid by the entity:

Particulars	FY 2025-26	FY 2024-25
Gross wages paid to females as a % of total wages	12.36%	10.64%

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, the Company's Human Engagement Department is responsible for monitoring and addressing human rights impacts and issues. As part of its human resource policy, the Company expects all its key stakeholders to respect and comply with the policy principles, as well as all applicable laws and regulations, across the organization.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has zero-tolerance for any breaches of human rights and it strives to protect and promote these rights for all its employees and other stakeholders. The human rights related issues can be addressed through the open channels of communication and through the Anti-Human – Trafficking Policy and mechanism prescribed under the Company's Whistle Blower Policy.

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

Category	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil	Nil	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour / Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Particulars	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	-
Complaints on POSH as a % of female employees / workers	0.70%	-
Complaints on POSH upheld	1	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is committed to and follows the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The Whistle Blower Policy and the Prevention of Sexual Harassment (POSH) Policy ensures the protection of the concerned individual(s) and safeguard them at work against any retaliation or reprisal. The Company proceeds with the corrective measures after assuring the confidence in the complaint raised is genuine and not made in the spirit of damaging someone's reputation, which prevents adverse consequences of false allegations.

9. Do human rights requirements form part of your business agreements and contracts? (Yes / No)

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced / involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

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All the locations under the entity are assessed by the entity on the above parameters, complying with the requirements of the Shops and Establishments Act for offices, and the Factories Act at plants and R&D centres.

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 / concerns were noted during the assessments as mentioned above.

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
<u>From renewable sources (in Giga Joules)</u>		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	1,01,149.56	65,248.72
Total energy consumed from renewable sources (A+B+C)	1,01,149.56	65,248.72
<u>From non-renewable sources (in Giga Joules)</u>		
Total electricity consumption (D)	92,920.98	83,867.53
Total fuel consumption (E)	22,438.21	12,855.90
Energy consumption through other sources (F)	3,684.05	3,942.38
Total energy consumed from non-renewable sources (D+E+F)	1,19,043.24	1,00,665.81
Total energy consumed (A+B+C+D+E+F) (in Giga Joules)	2,20,192.80	1,65,914.54
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations in ₹ Million)	53.25	53.55
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	N.A.	N.A.
Energy intensity in terms of physical Output	N.A.	N.A.
Energy intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	N.A.	N.A.

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.

No

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.

No, none of the facilities have been identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
<u>Water withdrawal by source (in kilolitres)</u>		
(i) Surface water	Nil	Nil
(ii) Ground water	1,87,457	1,73,701
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,87,457	1,73,701
Total volume of water consumption (in kilolitres)	1,87,457	1,73,701
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations in ₹ Million)	45.34	56.06
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	N.A.	N.A.
Water intensity in terms of physical output	N.A.	N.A.
Water intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.

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.

No

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4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	34,643.40	32,983.00
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	34,643.40	32,983.00

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.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No, the Company has not implemented a mechanism for Zero Liquid Discharge.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2025-26	FY 2024-25
NOx	ug/m ³	107	14.7
SOx	ug/m ³	39	8.6
Particulate matter (PM)	ug/m ³	51	7.9
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others – please specify	ug/m ³	-	-

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.

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

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	3,303.32	1,797.85
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	20,324.32	15,986.05
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent	5.71	5.74
Total Scope 1 and Scope 2 emissions 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)		N.A.	N.A.
Total Scope 1 and Scope 2 emissions intensity in terms of physical output		N.A.	N.A.
Total Scope 1 and Scope 2 emissions intensity (optional – the relevant metric may be selected by the entity)		N.A.	N.A.

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.

No

Business Responsibility & Sustainability Report

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
No, the entity does not have any project related to reducing Green House Gas emission.

9. Provide details related to waste management by the entity:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.40	19.78
E-waste (B)	3.30	3.88
Bio-medical waste (C)	38.14	44.80
Construction and demolition waste (D)	12.00	216.00
Battery waste (E)	Returned to vendors under buyback policy	Returned to vendors under buyback policy
Radioactive waste (F)	Nil	Nil
Other Hazardous waste, if any (G):		
• Drums (in nos.)	916	608
• Other waste - Used oil (in metric tonnes)	0.80	0.30
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector):		
• Drums (in Nos.)	1311	0
• Other waste (in metric tonnes)	1,058.36	775
Total (A+B+C+D+E+F+G+H)	1,113.00 metric tonnes and 2227 Drums	1,059.76 metric tonnes and 608 Drums
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations in ₹ Million)	0.27	0.34
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	N.A.	N.A.
Waste intensity in terms of physical output	N.A.	N.A.
Waste intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.
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	0.40 (Plastic waste)	19.78 (Plastic waste)
(ii) Re-used	0.80	0.30
(iii) Other recovery operations	Nil	Nil
Total	1.20	20.08
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	38.14	44.80
(ii) Landfilling	12.33	7.75
(iii) Other disposal operations	Nil	Nil
Total	50.47	52.55

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.

No.

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.

The Company has a robust waste management system in place. The Company takes responsibility for collecting plastic waste and ensures its recycling through a third-party vendor. The Company has established a matrix for product waste generations and disposal methods to ensure the zero environmental burden. The Company has all the required approvals and authorizations for recycling, landfills, incineration of the waste materials in accordance with the governmental rules and regulations. Hazardous waste, bio-medical waste, e-waste, and other categories of waste are stored in dedicated areas. These areas are designed with impervious flooring to prevent soil contamination, adhering to the respective waste management rules. Each type of waste is properly labelled and stored. The Company maintains proper records to maintain the data and movement of the waste. The Company ensures that all hazardous waste is disposed of at a Pollution Control Board authorized common treatment, storage, and disposal facility (CTSDf). The method of disposal, whether landfilling or incineration, is determined based on the fingerprint analysis of the waste.

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 :

S. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable, as the Company does not have any material operations in / around ecologically sensitive areas.			

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12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No environmental impact assessment carried out during financial year 2025-26.					

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, and Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes, The Company is compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, and the Environment Protection Act and Rules thereunder.

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: Lalru (Punjab), Baddi (Himachal Pradesh) and Delhi
(ii) Manufacture and/or Research & Development of Vaccines
(iii) Water withdrawal, consumption and discharge:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Ground water	1,87,457	1,73,701
(iii) Third party water	Nil	Nil
(iv) Sea water / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres)	1,87,457	1,73,701
Total volume of water consumption (in kilolitres)	1,87,457	1,73,701
Water intensity per rupee of turnover (Water consumed / turnover in ₹ Million)	45.34	56.06
Water intensity (Optional / the relevant metric may be selected by the entity)	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
(ii) Into Ground water	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
(iii) Into Sea water	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
(iv) Sent to third-parties	Nil	Nil
- No treatment		
- With treatment		
(v) Others	Nil	Nil
- No treatment		
- With treatment-please specify level of treatment		
Total water discharged (in kilolitres)	Nil	Nil

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.

No

Business Responsibility & Sustainability 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	-	-
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emissions intensity (Optional) – the relevant metric may be selected by the entity		NA	NA

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.

No

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. Since, the Company does not have any operations 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:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, along-with summary)	Outcome of the initiative		
i)	The project activity involving fuel switch from fossil fuel (FO) to biomass briquettes has been undertaken at Baddi & Lalru location.	The main purpose of appropriately using biomass (a renewable fuel) for steam generation: - Avoiding the burning of fossil fuels furnace oil (FO) - Generation of steam in an environmentally friendly manner. - Reduction in greenhouse gas (GHG) i.e. CO ₂ emissions	Estimated amount of emission reductions over 10 years period		
			Location	CO ₂ e Ton.	Remarks
			Baddi	31,140	Commissioned
			Lalru	34,370	Commissioned
			Total	65,510	

5. Does the entity have a business continuity and disaster management plan?

Yes, the Company has developed a robust business continuity and disaster management plan to restore the operation in the shortest possible term in case of any disasters with the objective of ensuring business continuity.

This business continuity plan enables the Company to adapt in situations arising from any natural calamity or an unprecedented event which may disrupt the business operations. The Company continuously enhances its existing plan by incorporating interferences and observations from disruptions faced in the unprecedented situations. Further, the Company's risk management plan enables the minimisation of disaster-linked losses, by assessing the potential major disruption with its consequent risks to the business and by providing the appropriate mitigation action plans.

The purpose of the program is to maintain a continuing state of emergency readiness and response. The plan would be invoked to manage all emergencies using all the available resources effectively in order to ensure smooth business operations and to protect life and property.

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.

The Company has not experienced any significant adverse impact incidents on the environment arising from the supply chain during the reporting period.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None.

8. Green credits generated or procured by the listed entity and its top -10 value chain partners.

None.

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.

During the year, the Company had active affiliations with 7 (Seven) trade and industry chambers / associations.

- b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) entity is a member of / affiliated to.

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S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Indian Pharmaceutical Alliance	National
2	The Indian Drug Manufacturers Association	National
3	Confederation of Indian Industry	National
4	Delhi Chamber of Commerce	State
5	Federation of Indian Export Organisation (FIEO)	National
6	Pharmaceuticals Export Promotion Council of India	National
7	Developing Countries Vaccine Manufacturers Network	International

2. 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.

During the financial year 2025-26, there were no adverse orders against the Company related to anti-competitive conduct.

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators:

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
The Company did not have any mandatory requirement of SIA for any of its projects.
- Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R), being undertaken by your entity:
Not Applicable
- Describe the mechanisms to receive and redress grievances of the community.
The Company interacts with local community members to understand their grievances, if any, and act upon them accordingly.
- Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs / small producers	4.72%	7.64%
Sourced directly from within the district and neighbouring districts	1.89%	3.37%

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	-	-
Semi-urban	54.78%	57.51%
Urban	-	-
Metropolitan	45.22%	42.49%

(place to be categorised as per RBI Classification System – Rural / Semi-urban / Urban / Metropolitan)

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

Essential Indicators:

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
The Company has established a comprehensive complaint management process to address any product quality complaints received by it. The Company may receive a product quality complaint either directly or through a third-party. As soon as the complaint is received, it is registered in the Company's system, acknowledged, and a preliminary assessment is initiated. Along with the initial evaluation, a follow-up is initiated for requesting the complaint sample and any additional information to facilitate the preliminary assessment and the investigation. A remedial corrective and preventive action plan is launched after the investigation is completed and the root cause is determined. A complaint summary report is also prepared at the same time. The complaint is finally closed after a final risk assessment is completed and a response is delivered to the complainant. Any market actions for the impacted product are considered and may be communicated with the local regulatory authorities depending on local requirements. The Company has a pharmacovigilance policy and mechanism in place, which is supported by a competent team and third-party consultants, committed to responding to patient safety concerns and incidents.
- Turnover of products and/or 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	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

Business Responsibility & Sustainability Report

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

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

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, the Company has a Cyber Security Governance framework in place to manage data privacy and cyber security. To ensure the cyber security it uses antivirus, antispyware protection and firewalls to protect against any possible breach. In today's digital age, safeguarding information privacy has become a paramount concern for businesses. For maintaining data privacy and security, the Company uses remote data back-ups, latest versions of software through secured computers and servers to mitigate the technology risks. The framework on data privacy and cyber security is internally available to the relevant stakeholders on the intranet.
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.
Not applicable.
7. Provide following information relating to data breaches:
- Number of instances of data breaches: Nil
 - Percentage of data breaches involving personally identifiable information of customers: Not Applicable
 - Impact, if any, of the data breaches: Not Applicable

For and on behalf of the Board of
Panacea Biotech Limited

Place : New Delhi
Date : August 13, 2026

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

At Panacea Biotec, corporate governance is deeply embedded in our organizational culture, policies, and stakeholder relations. Driven by transparency and accountability, our corporate governance framework ensures ethical business conduct, protects investors, and builds an excellent work environment. Panacea Biotec views these governance measures as vital drivers that deliver both internal and external value, supporting the Company's sustainable, long-term success. This system safeguards investor interests, builds an excellent workspace, and maximizes everlasting value. Ultimately, we treat these governance measures as core drivers of our overall business growth and value creation.

Corporate Governance is the key attribute in ensuring commitment to values, ethical business conduct, investors' protection, excellent work environment leading to highest standards of management and maximization of everlasting long-term values. Panacea Biotec beholds corporate governance measures as an integral part of business which adds to considerable internal and external values and contributes to business growth. Our corporate governance is built on a legacy of fair, ethical, and transparent practices. We have adopted the highest standards of professionalism, honesty, and integrity long before they became regulatory mandates.

Panacea Biotec's corporate governance framework uses formal administrative and control systems to drive prudent, stakeholder-aligned decisions. This structure ensures systematic and effective resource allocation. By treating stakeholders as vital success partners, the Company remains dedicated to maximizing their value. We continuously elevate our practices to meet global standards, cultivating a culture rooted in trust, responsibility, and performance.

Panacea Biotec's focus is not only to ensure compliance with the requirements as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") regarding corporate governance but it also actively adopts emerging global best practices to ensure sound corporate governance.

2. Board of Directors

The Board of Directors ("Board") plays a crucial role in providing leadership and strategic guidance to the Company's management. While fulfilling its fiduciary duties, the Board sets and reviews the Company's business objectives, oversees the implementation of strategic plans, and monitors overall performance on behalf of shareholders and other stakeholders.

The Company strongly believes that a proactive, well-informed, and independent Board is essential for upholding the highest standards of corporate governance. Such a Board brings transparency, accountability, and objectivity to the management process. Thus, the governance structure of the Company is multi-tiered, comprising of the Board of Directors, Board Committees, the Chairman and Managing Director, Joint Managing Director and Whole-time Directors.

The Board is an apex decision making body which comprises experts from various functions having rich knowledge and experience in the industry for providing strategic guidance and directions in running and managing the Company. The Chairman and Managing Director leads the Board and is responsible for its overall effectiveness.

- a) Composition, Category & Size of Board: During the year under review and as on the date of this Report, the composition of the Board is in conformity with the applicable provisions of the Companies Act, 2013 ("Act") and Regulation 17(1) of the SEBI LODR Regulations, enjoining optimum combination of executive and non-executive directors, with not less than 50% of the Board comprising of non-executive independent directors.

As on March 31, 2026, the Board consisted of 11 (eleven) directors (including one woman director), comprising of 5 (five) executive directors and 6 (six) non-executive independent directors. Mr. Mukul Gupta, independent director, has completed his second and final term of 5 (five) consecutive years as an independent director and consequently ceased to be the director of the Company w.e.f. close of business hours on March 31, 2026.

As on the date of this Report, the Board consists of 10 (ten) directors (including one woman director) comprising of 5 (five) executive directors and 5 (five) non-executive independent directors. The Board comprises highly experienced individuals of repute and eminence. It maintains a well-balanced and diverse mix of executive and non-executive directors including an independent woman director.

The Board's composition features an optimal blend of professionalism, knowledge, and experience, enabling it to execute its responsibilities and provide effective business leadership. As part of its routine succession planning, the Board periodically reviews its composition to ensure that its collective expertise remains closely aligned with the long-term strategy and operational needs of the Company.

- b) Board functioning & procedure:

i) Background: To institutionalize corporate affairs and formalize advance planning, the Company has established explicit procedures for all Board and Committee meetings.

The Board prioritizes good governance through a collaborative, self-governing administrative style. Directors possess absolute freedom to express their views, and any member may independently introduce matters for discussion. The decisions are taken based on consensus / majority arrived at after detailed discussions. The directors are free to bring up any matter for discussion at the Board and Committee Meetings.

ii) Frequency of Board Meetings and selection of Agenda items: The Board meets at least once in a quarter, with a maximum time gap of 120 days between any two consecutive meetings, to discuss, review and approve the quarterly financial results / statements and other items of agenda, including the minimum information required to be placed before the Board as per Part A of

Report on Corporate Governance

Schedule II of the SEBI LODR Regulations. The Board also meets and conducts additional meetings as and when required and thought fit. The Committees of the Board usually meet a day prior or on the same day as the Board Meeting. The recommendations of the Committees are placed before the Board for necessary approval / noting. The dates for the Board and Committee Meetings are decided in advance and communicated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which are noted and confirmed in the subsequent board meeting. Video / audio-conferencing facilities are also used to facilitate Directors travelling or located at other locations to participate in the Meetings.

The Company Secretary sets the Board and Committee meeting agendas in consultation with the Chairman and Managing Director or Joint Managing Director of the Company. To facilitate meaningful, high-quality discussions, agendas, supporting documents, and explanatory notes are shared with directors at least 7 (seven) days in advance, except for meetings called at shorter notice. When attaching a document is impracticable, it is circulated before the meeting or tabled with a specific reference on the agenda. Board members operate democratically and are at liberty to bring up any matter for discussion. Additionally, action updates from previous meetings are systematically placed at succeeding meetings for discussion, approval, or noting.

iii) Minimum Information placed before the Board Members: In addition to the regular business items, the Company provides the following information to the Board and/or Board Committees as and when required, either as part of the agenda papers or by way of presentations and discussion material during the meetings:

- Annual operating plans & budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other Committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or cessation of the Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product

liability claims of substantial nature including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company;

- Details of any joint venture or collaboration agreement, if any;
- Transactions, if any, that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant labour problems and their proposed solutions;
- Any significant development in human resources / industrial relations front;
- Any sale of investments, subsidiaries, assets which are material in nature and not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken to limit the risks of adverse exchange rate movement, if material; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

At the Board and Committee Meetings, apart from the Board Members and the Company Secretary, the Chief Financial Officer, the General Manager Accounts and Taxation, the General Manager Business & Operating Finance, Assistant General Manager - Internal Audit & Compliance and their key operational managers are routinely invited to present the Company's performance in key areas such as the major business segments, subsidiary operations, and core corporate functions.

- iv) Recording Minutes of the Proceedings: The Company Secretary records the minutes of all Board and Committee meetings. To ensure accuracy, draft minutes are circulated to members within 15 (fifteen) days of the meeting for their feedback, which must be submitted in writing within 7 (seven) days of receipt. Finalized minutes are entered into the respective Minutes Books within 30 (thirty) days of the meeting's conclusion and signed by the Chairperson of that meeting or the succeeding meeting. Certified copies of the signed minutes, verified by the Company Secretary or an authorized Director, are subsequently circulated to all Board members.
- v) Post Meeting Follow-Up Mechanism: In alignment with good corporate governance practices, critical decisions taken at the Board / Committee levels are promptly communicated to the concerned departments, post meetings. Moreover, the action taken in respect of such decisions is also reported in the form of a status report and is placed at the subsequent meeting of the Board / Committee for discussion and noting.
- vi) Statutory Compliance of Laws: The Board periodically reviews the compliance report of the laws applicable to

Report on Corporate Governance

the Company as well as steps taken by the Company to rectify the instances of non-compliance, if any.

- c) Board Meetings and attendance: During the financial year 2025-26, 5 (five) Board Meetings were held on May 30, 2025, August 14, 2025, November 14, 2025, December 15, 2025 and February 11, 2026. The quorum for the meeting of the Board of Directors is one-third of the Board of Directors or three Directors, whichever is higher. The requisite quorum was present for all the board meetings held during the financial year 2025-26.

The following table illustrates the attendance of directors at Board Meetings held during the financial year 2025-26 and last Annual General Meeting ("AGM") and number of their other directorships & committee memberships / chairmanships as on March 31, 2026:

S. No.	Name of Director ¹ and Category of Directorship	No. of board meetings held during the tenure	Attendance at meetings during 2025-26		No. of Directorships ² and Committee Memberships / Chairmanships ³ held in other companies			Name of the other listed Company(ies) in which director and Category of Directorship
			Board	AGM	Directorships	Committee Memberships	Committee Chairmanships	
1.	Dr. Rajesh Jain, Promoter – CMD	5	5	No	3	0	0	Nil
2.	Mr. Sandeep Jain, Promoter – JMD	5	4	Yes	2	0	0	Nil
3.	Mr. Ankesh Jain, Promoter Group – WTD	5	4	No	2	1	0	Nil
4.	Mr. Harshet Jain, Promoter Group – WTD	5	5	No	0	0	0	Nil
5.	Dr. Sanjay Trehan, WTD	5	5	Yes	1	0	0	Nil
6.	Mrs. Ambika Sharma, NEID	5	5	No	10	8	1	- LT Foods Limited – NEID - Indo Count Industries Limited – NEID - Waaree Renewable Technologies Limited – NEID - Kajaria Ceramics Limited NEID - Aditya Infotech Limited – NEID
7.	Mr. Krishan Kumar Jalan, NEID	5	5	Yes	7	7	4	- Asit C Mehta Financial Services Limited – NEID - PNC Infratech Limited – NEID - Titagarh Rail Systems Limited – NEID - Pipan Oils Limited (Formerly known as Omansh Enterprises Limited) – NEID
8.	Mr. Mukul Gupta, NEID ⁴	5	5	Yes	0	0	0	Nil
9.	Dr. Rajender Pal Singh NEID	5	5	Yes	1	0	0	Triveni Engineering and Industries Limited – NEID
10.	CA Rajesh Jain, NEID ⁵	5	5	Yes	6	8	5	- Sundrop Brands Limited – NEID - Federal Mogul Goetze (India) Limited- NEID
11.	Dr. Venkatesh Sarvasiddhi, NEID	5	5	Yes	1	0	0	Nil

Note: 1. CMD = Chairman and Managing Director, JMD = Joint Managing Director, WTD = Whole-time Director, and NEID = Non-Executive Independent Director.

2. Excludes directorship in foreign companies, membership of managing committees of various chambers / bodies / Section 8 companies and the Company.

3. In accordance with Regulation 26(1) of the SEBI LODR Regulations, memberships / chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all the companies (excluding the Company) have been taken into account.

4. Ceased to be director on 31.03.2026 upon completion of tenure.

5. Ceased to be director on 30.06.2026 due to resignation from directorship.

None of the Directors on the Board holds directorships in more than the permissible number of companies under the Act and the SEBI LODR Regulations. Further, every Director operates within the statutory limits prescribed for Committee memberships and Chairmanships. No Director holds membership in more than 10 (ten) committees or serves as Chairperson of more than 5 (five) committees (considering Audit Committee and Stakeholders Relationship Committee) across all public limited companies in which he / she is a Director. All non-independent directors on the Board are liable to retire by rotation.

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None of the independent directors is serving as an independent director in more than 7 (seven) listed companies including the Company.

- d) Disclosure of relationships between directors inter-se: Dr. Rajesh Jain, Chairman and Managing Director, is elder brother of Mr. Sandeep Jain, Joint Managing Director and father of Mr. Ankesh Jain & Mr. Harshet Jain, Whole-time Directors. There are no other inter-se family relationships among the remaining members of the Board.
- e) Number of Shares held by Non-Executive Directors: Except CA Rajesh Jain, Independent Director, who holds 3,000 equity shares in the Company, none of the other non-executive directors hold any share in the Company.
- f) Key qualifications, core skills, expertise and attributes available with the Board: In compliance with the SEBI LODR Regulations and in the context of the Company's business operations, the Board has identified key core

skills, expertise, and behavioral competencies required for its directors. These criteria are divided into three essential areas:

- Knowledge & Technical Expertise: Specialization / Expertise in one or more fields of Science & Innovation, Research & Development, Finance & Accounts, Legal, Governance, Industry Knowledge, Risk Management, General Management.
- Strategic & Operational Skills: Business Leadership, Strategic Thinking / Planning Skills, Problem Solving Skills, Analytical Skills, Decision Making Skills.
- Behavioral & Ethical Traits: Integrity, Genuine interest, Interpersonal Skills / Communication, Active Boardroom Participation.

Based on the above-mentioned skill matrix, the skills which were available with the Board of Directors of the Company during the financial year 2025-26 are given below:

Name of the Directors	Knowledge: Whether the Specialization / Expertise in one or more fields is possessed by the Director of the Company						
	Science & Innovation, Research & Development	Finance & Accounts	Legal	Corporate Governance & Compliance	Industry Knowledge	Risk Management	General Management
Dr. Rajesh Jain, Promoter – CMD	√	√	√	√	√	√	√
Mr. Sandeep Jain, Promoter – JMD	√	√	√	√	√	√	√
Mr. Ankesh Jain, Promoter Group – WTD	√	√	√	√	√	√	√
Mr. Harshet Jain, Promoter Group - WTD	√	√	√	√	√	√	√
Dr. Sanjay Trehan - WTD	√	-	-	√	√	√	√
Mrs. Ambika Sharma – NEID	-	√	-	√	√	√	√
Mr. Krishan Kumar Jalan – NEID	-	√	√	√	√	√	√
Mr. Mukul Gupta – NEID	-	√	√	√	√	√	√
Dr. Rajender Pal Singh - NEID	-	√	√	√	√	√	√
CA Rajesh Jain - NEID	-	√	√	√	√	√	√
Dr. Venkatesh Sarvasiddhi - NEID	√	√	-	√	√	√	√

The Company recognizes that a diverse Board is a fundamental driver of its long-term success. It believes that an inclusive boardroom effectively leverages varied perspectives, regional and industry experiences, cultural backgrounds, ages, genders, and ethnicities. This structural diversity brings specialized knowledge across key pillars, including finance, global operations, strategic leadership, technology, mergers and acquisitions, board service, sales, and marketing. Furthermore, every serving director uniformly possesses essential leadership and analytical talents - such as business leadership, strategic thinking, problem-solving, and decisive decision-making alongside core behavioral traits of integrity, genuine interest, interpersonal communication, and active boardroom participation.

The Board is satisfied that its composition comprised of highly qualified members who possess the precise skills, expertise, diversity and competencies necessary to drive the effective functioning of the Company and make effective contributions to the Board and its Committees.

This collective capability ensures that each director makes meaningful, high-impact contributions to corporate oversight. Reflecting this high caliber of leadership, few Board members have received formal recognition from the Government, prominent industry bodies, and business associations for outstanding contributions within their respective fields of expertise.

- g) Familiarization Programme for Independent Directors: In compliance with the SEBI LODR Regulations, the Company maintains a structured Familiarisation Programme for independent directors. All newly inducted independent directors attend an orientation program and receive a formal letter of appointment outlining their roles, functions, duties, and responsibilities. To integrate them into corporate practices, directors are equipped with essential internal policies, brochures, and operational reports. Believing in continuous knowledge empowerment, the Company routinely delivers comprehensive presentations during Board and Committee meetings. These sessions provide vital updates on business performance including

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finance, sales & marketing alongside detailed assessments of regulatory updates and their strategic impact on the Company.

To deepen operational understanding, the Company organized plant visits for its Independent Directors at the Baddi and Lalru facilities in April 2025. During these visits, directors engaged directly with senior officials at Plants and R&D Centre. The visit provided a comprehensive overview of the manufacturing facilities, highlighting the Company's operational capabilities, workforce professionalism, and adherence to industry best practices, while identifying key strategic synergies across the organization.

Also, with a view to provide strategic insight of the Company's pipeline, a visit to the Company's One-Stream Research Centre ("ORC"), was organised on August 14, 2025. During the visit, independent directors met with senior ORC officials, wherein the directors were inter-alia informed about the Company's R&D capabilities for vaccine development. The briefing highlighted advanced-stage clinical candidate vaccines, including DengiAll® and NuCoVac®-11, alongside various early-stage and ongoing research projects across multiple phases of development.

The Familiarisation Programme is strategically designed to help Board members to understand the Company's operational functions, management framework, business model, and associated risk factors. It further equips them with insights into industry dynamics, regulatory challenges, and their specific fiduciary roles, rights, and responsibilities.

The Company's familiarization policy and the details of programme conducted for Board members including details of programs attended and hours spent by independent directors during financial year 2025-26, may be accessed on the Company's website at the link: <https://www.panaceabiotec.com/en/section/information-repository/familiarization-programmes>.

- h) Confirmation regarding Independence: All the independent directors of the Company have confirmed that they meet the independence criteria specified under Section 149(6) of the Act and Regulation 16 of the SEBI LODR Regulations. Based on the confirmations / declarations / disclosures received from the independent directors and upon evaluation of the relationship disclosed, the Board confirms that its independent directors fulfill the conditions as specified in the Act and the SEBI LODR Regulations and are independent of the management.
- i) Independent Director's databank registration: All the independent directors have confirmed their successful enrolment in the Independent Directors' database maintained by the Indian Institute of Corporate Affairs (IICA). Furthermore, the Company has received all requisite statutory disclosures from these directors in accordance with the provisions of Section 149(6) of the Act.
- j) Separate Meeting of Independent Directors: For the Board to exercise free and fair judgment in all matters related to

the functioning of the Company as well as the Board, it is important for the independent directors to have meetings without the presence of the executive directors and management personnel.

During the financial year under review, in terms of Schedule IV to the Act read with the Rules thereunder and Regulations 25(3) of the SEBI LODR Regulations, 1 (one) meeting of independent directors was held on May 29, 2025, without the presence of non-independent directors or members of the management of the Company. All of the independent directors were present during the above said meeting mainly to discuss the issues arising out of the Committee and Board Meetings including performance of the Company and risks faced by it, the flow of information between the Company's management and the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements and also to review the performance of the non-independent directors including Chairman and the Board as a whole. They also provided feedback to the Board about the key elements that emerge out of the meeting.

- k) Code of Conduct: The Board has laid down a Code of Conduct for all the Board Members, Senior Management Personnel and other employees of the Company which gives guidance and support needed for ethical conduct of business and compliance of law. The said Code has been communicated to the directors, senior management personnel and other employees of the Company and is also available on the website of the Company and can be accessed through the link: <https://www.panaceabiotec.com/en/section/information-repository/policy>.

Declaration from the Chairman and Managing Director confirming that the Company has received affirmations from the Board members and the senior management personnel regarding compliance of Code of Conduct during the year under review, is annexed as **Annexure - I** and forms part of this Report.

- l) Succession Planning: The Company believes that a sound succession plan for the Board Members and Senior Management is vital for creating a robust future for the Company. The Nomination and Remuneration Committee of the Company plays an instrumental role in the development of a diverse pipeline for succession thereby ensuring that the Company has a strong, diverse and high performing Board and Management now and in the future.

The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met.

The Board members also bring to the table their broad and diverse skills and viewpoints to aid the Company

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in advancing its strategy. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

- m) **Statutory Compliance Monitoring Tool:** To streamline compliance tracking and strengthen corporate governance, the Company utilizes a web-based Statutory Compliance Monitoring Tool. This comprehensive digital tool ensures timely tracking and fulfillment of all legal and statutory obligations across the organization. By providing real time visibility and assurance to the Board, the tool effectively mitigates legal risks, maintains an exemplary regulatory posture, and reflects the Company's commitment to ethical business practices.
- n) **Disclosure regarding appointment / re-appointment / cessation of Directors:** Every appointment / re-appointment made by the Board is based on the recommendation by the Nomination and Remuneration Committee after considering various factors such as qualifications, positive attributes, area of expertise and other relevant criteria. The same is further taken for shareholders' approval, as and when required, under the provisions of applicable laws.

During the current year, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Rajinder Singh Manku (DIN: 09706881) as an additional director in the capacity of non-executive independent director of the Company for a period of 5 (five) years w.e.f. July 01, 2026.

In terms of the provisions of Regulation 17 of the SEBI LODR Regulations, the said appointment is subject to approval by the shareholders in the ensuing Annual General Meeting ("AGM") of the Company. The terms and conditions of appointment of Independent Director are as per Schedule IV of the Act. The detailed information pertaining to changes in the Board of Directors is furnished in the Directors' Report, forming part of the Annual Report.

Any person who becomes a Director or an Officer, including an employee who is acting in a managerial capacity, shall be covered under the Directors' and Officers' Liability Insurance Policy. The Company has provided insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance.

Mr. Mukul Gupta (DIN: 00254597), independent director of the Company, has completed his second and final term of 5 (five) consecutive years as an independent director and consequently ceased to be the director of the Company w.e.f. close of business hours on March 31, 2026.

CA Rajesh Jain (DIN: 10619014), independent director of the Company, ceased to be director of the Company on account of resignation effective from close of business hours on June 30, 2026.

The Board of Directors of the Company express sincere appreciation and gratitude to Mr. Mukul Gupta and CA Rajesh Jain for their extensive contribution and guidance towards the business growth of the Company.

Further, Mr. Ankesh Jain (DIN: 03556647) and Mr. Harshet Jain (DIN: 08732974), Whole-time Directors of the Company

are liable to retire by rotation and being eligible, they have offered themselves for re-appointment as director at the ensuing AGM of the Company. Based on performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board recommends their re-appointment in the ensuing AGM.

Brief profiles of Directors seeking appointment / re-appointment in the ensuing AGM, to be provided in terms of Regulation 36(3) of the SEBI LODR Regulations, are furnished below:

i. **Mr. Ankesh Jain**

Date of Birth and Age: June 08, 1988 (~38 Years)

Qualification: Mr. Ankesh Jain holds a B.Sc. in Pharmaceutical Management from the University of Bradford, UK, and an MBA from the Marshall School of Business, University of Southern California (USC), Los Angeles, USA.

Brief Resume: Mr. Ankesh Jain is a global sales & business development professional with ~16 years of experience in the pharmaceutical industry. Mr. Ankesh Jain was earlier appointed as Executive Business Development of the Company w.e.f. July 01, 2010. He was actively involved in each and every aspect of business process for research & development, manufacturing, sales & marketing and distribution and also handled an independent territory as Business Development Executive. He actively supported the leadership team of domestic pharmaceutical business and took over the position of Head - Domestic Pharmaceutical Business from September 01, 2014. He was first appointed as Whole-time Director of the Company w.e.f. April 01, 2016.

He has led the Company's domestic and international growth, focusing initially on pharmaceuticals and vaccines, where he strengthened relationships through targeted customer initiatives in Transplant and Nephrology. His achievements include establishing patient-centric programs and expanding retail reach across Diabetes, Pain, and Gastro portfolios. Shifting to international markets, he built partnerships across GCC, MENA, and Europe, positioning the company for market entry into 14 new countries. He has been spearheading the domestic Vaccine and Nutrition SBU with a total field force of 350 spanning more than 100 cities and a customer coverage of more than 14,000 pediatricians.

Nature of expertise in specific functional areas: Mr. Ankesh Jain possesses extensive experience in pharmaceutical sales, marketing, and business development. He actively oversees all day-to-day operations, driving the Company toward accelerated revenue growth and enhanced profitability. Guided by his deep understanding of core business principles, the Company continues to expand its global footprint by consistently improving its market presence, operational efficiencies, and international partnerships.

Inter-se relationship between directors: He is the son of Dr. Rajesh Jain, Chairman and Managing Director,

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nephew of Mr. Sandeep Jain, Joint Managing Director and brother of Mr. Harshet Jain, Whole-time Director of the Company.

Directorships: As on date of this Report, Mr. Ankesh Jain hold directorship in Panacea Biotec Pharma Limited and Adveta Power Private Limited other than Panacea Biotec Limited.

Committee Membership / Chairmanship: He is member of Audit Committee and Committee of Directors of Panacea Biotec Pharma Limited.

Listed entities from which he has resigned in the past 3 years: He has not resigned from any listed entity in the last 3 years.

Shareholding in the Company including as a beneficial owner as on date: As on date of this Report, he does not hold any share in the share capital of the Company.

ii. Mr. Harshet Jain

Date of Birth and Age: August 26, 1992 (34 Years)

Qualification: Mr. Harshet Jain holds Bachelor of Science in Marketing from Miami University and MBA from IE Business School, Spain.

Brief Resume: Mr. Harshet Jain has ~12 years of rich experience in international marketing. He was initially appointed as Management Trainee - International Marketing of the Company w.e.f. September 01, 2014 and held various senior positions since then based on his performance and involvement in business development, information technology and other key areas of the Company apart from international marketing. Keeping in mind his continued and increased involvement in most of the key areas including international marketing, business development and information technology, he was appointed as Whole-time Director of the Company w.e.f. February 14, 2025.

Nature of expertise in specific functional areas: Mr. Harshet Jain has significant experience in international marketing, business development, information technology and is involved in the overall supervision of day-to-day operations with emphasis on strategy, international marketing, business development etc. He specializes in scaling global business development and optimizing international marketing strategies. Driven by his deep understanding of core business principles, the Company continues to accelerate its global aspirations and successfully expand its footprint into diverse international markets.

Inter-se relationship between directors: He is the son of Dr. Rajesh Jain, Chairman and Managing Director, nephew of Mr. Sandeep Jain, Joint Managing Director and brother of Mr. Ankesh Jain, Whole-time Director of the Company.

Directorships: As on date of this Report, Mr. Harshet Jain does not hold directorship in any entity other than Panacea Biotec Limited.

Committee Membership / Chairmanship: As on date of this Report, he does not hold membership in Committee of the Board of Directors of the Company. Further, he does not hold Committee Membership / Chairmanship in any other company.

Listed entities from which he has resigned in the past 3 years: He has not resigned from any listed entity in the last 3 years.

Shareholding in the Company including as a beneficial owner as on date: As on date of this Report, he does not hold any share in the share capital of the Company.

iii. Mr. Rajinder Singh Manku

Date of Birth and Age: February 24, 1959 (67 Years)

Qualification: Ph.D. from the University of Hawaii, USA. Post-doctoral fellowship from Harvard University, USA.

Brief Resume: Mr. Rajinder Singh Manku has ~37 years of extensive and diverse experience in project planning and execution, strategic business development, procurement & supply chain management, stakeholder management and finance. During 2022-25, he was associated with Andrew Yule & Company Ltd. as Chairman & Managing Director, Director (Planning) and Director Finance; served as Chairman of Yule Engineering Ltd. and Yule Electrical Ltd. (government enterprises); and held directorships / board positions at Veedol Corporation, WEBFIL Ltd., New Town Telecom Infrastructure Development Co. Ltd., and the Bengal Chamber of Commerce & Industry. He has also held various roles with HLL Lifecare Ltd., HLL Infra Tech Services Ltd., Neelachal Ispat Nigam Ltd., and Hindustan Insecticides Ltd.

Inter-se relationship between directors: He is not related to any director on the Board of the Company.

Directorships: As on date of this Report, Mr. Rajinder Singh Manku does not hold any directorship other than the Company.

Committee Membership / Chairmanship: He is member of Audit Committee of the Company. Further, he does not hold Committee Membership / Chairmanship in any other company.

Listed entities from which he has resigned in the past 3 years: He ceased to be director of Webfil Limited, Andrew Yule & Co Limited and Veedol Corporation Limited.

Shareholding in the Company including as a beneficial owner as on date: As on date of this Report, he does not hold any share in the share capital of the Company.

3. Board Committees

All Board Committees functions in alignment with their respective Terms of Reference and Company's guidelines relating to Board meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of

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proceedings of Committee meetings are circulated to the Members and placed before Board meetings for noting.

4. Audit Committee

- a) Composition: The composition of the Audit Committee of the Board of Directors of the Company meets the requirements of Section 177 of the Act and Regulation 18 of the SEBI LODR Regulations. As on March 31, 2026, the composition of the Committee was as under:

S. No.	Name	Position	Category
1.	Mr. Mukul Gupta [#]	Chairman	Independent Director
2.	Mrs. Ambika Sharma	Member	Independent Director
3.	CA Rajesh Jain [*]	Chairman	Independent Director
4.	Mr. Krishan Kumar Jalan ^{**}	Member	Independent Director

[#] Ceased to be the Chairman w.e.f. 31.03.2026 on account of completion of tenure.

^{*} Elevated to the position of the Chairman w.e.f. 31.03.2026. However, he ceased to be Chairman on 30.06.2026.

^{**} Appointed as the Member w.e.f. 31.03.2026.

The Board of Directors has, vide its resolution dated May 30, 2026, reconstituted the Audit Committee w.e.f. July 01, 2026. The Audit Committee now comprises of the following members:

S. No.	Name	Position	Category
1.	Mr. Krishan Kumar Jalan	Chairman	Independent Director
2.	Dr. Rajender Pal Singh	Member	Independent Director
3.	Mr. Rajinder Singh Manku	Member	Independent Director

The Audit Committee comprises of independent directors who are financially literate and possess rich expertise in finance, accounting, strategy, and corporate management, with members having specialized financial management expertise.

Chaired by an Independent Director, the Audit Committee acts as a vital link between the management, external and internal auditors and the Board of Directors of the Company. It provides robust oversight for the Company's financial reporting, risk management systems, and anti-fraud mechanisms. Operating under Section 177 of the Act and Regulation 18 (read with Part C of Schedule II) of the SEBI LODR Regulations, Audit Committee fulfills all mandatory requirements while reviewing specific matters delegated to it by the Board.

- b) Key Terms of Reference: The Audit Committee is governed by its terms of reference which are in line with the regulatory requirements mandated by the Act and SEBI LODR Regulations. The Audit Committee discharges its roles and responsibilities as required under its terms of reference. The key terms of reference and scope of the Audit Committee, inter-alia, include the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
 - Recommending to the Board for the appointment / re-appointment, remuneration and terms of appointment of auditors;
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - Reviewing, with the management, the annual / quarterly financial statements and auditors' report thereon before submission to the Board for approval;
 - Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
 - Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - Discussions with internal auditors of any significant findings and follow-up thereon;
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
 - Approval of, or any subsequent modification of, transactions of the Company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Reviewing the utilization of loans and / or advances from / investment by the Company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
 - Evaluation of internal financial controls and risk management systems;
 - Review of the functioning of the Whistle Blower Mechanism;
 - Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate; and
 - To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.
- c) Review of information by Audit Committee: Apart from other matters, as per Regulation 18(3) of the SEBI LODR

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Regulations, the Audit Committee reviews, to the extent applicable, the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses, if any, issued by statutory auditors;
- Internal Audit Reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the internal auditors;
- Statement of Deviations, if applicable;
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI LODR Regulations; and
- Annual statements of funds utilized for purposes other than those stated in the offer documents / prospectus / notice, if applicable, in terms of Regulation 32(7) of the SEBI LODR Regulations.

The Audit Committee is also vested with the following powers:

- To investigate into any matter in relation to the items specified in Section 177 of the Act or referred to it by the Board and for this purpose, the Audit Committee has full access to the information contained in the records of the Company and also has power to obtain external professional advice, if necessary;
 - To seek information from any employee;
 - To obtain outside legal or other professional advice; and
 - To secure attendance of outsiders with relevant expertise, if it is considered necessary.
- d) Meetings of Audit Committee and attendance of members: The Audit Committee meets at least 4 (four) times in a year, with a maximum time gap of 120 days between any two consecutive meetings. During the financial year 2025-26, 5 (five) meetings of the Audit Committee were held on May 29, 2025, August 13, 2025, November 14, 2025, December 15, 2025, and February 11, 2026. The attendance of members of the Audit Committee at these meetings was as follows:

S. No.	Name of the Member	No. of Meetings	
		Held during tenure	Attended during tenure
1.	Mr. Mukul Gupta [#]	5	5
2.	CA Rajesh Jain [*]	5	5
3.	Mr. Krishan Kumar Jalan ^{**}	-	NA
4.	Mrs. Ambika Sharma	5	5

[#] Ceased to be the Chairman w.e.f. 31.03.2026 on account of completion of tenure.

^{*} Elevated to the position of Chairman w.e.f. 31.03.2026.

^{**} Appointed as the Member w.e.f. 31.03.2026.

The Chairman of the Audit Committee provides detailed

updates to the Board on the matters deliberated / recommended by the Committee. As part of its oversight responsibilities, the Audit Committee meets the Statutory Auditors quarterly and whenever required, without the presence of management to receive independent insights on key audit matters and the adequacy of internal control systems and processes.

In accordance with the circular dated January 7, 2026, issued by the National Financial Reporting Authority and upon the recommendation of the Audit Committee in consultation with the Statutory Auditors, the Board adopted a framework to ensure effective two-way communication between 'Those Charged with Governance' ("TCWG") and the Statutory Auditors with the Audit Committee leading this oversight on behalf of the Board. The Board also formed a TCWG Group comprising members of the Audit Committee of the Company, with the Chairman and Managing Director.

The Company Secretary of the Company acts as the Secretary to the Audit Committee. The minutes of each Audit Committee Meeting are placed in the next meeting of the Board.

The Statutory Auditors, Internal Auditors, Chairman and Managing Director, Joint Managing Director, Whole-time Directors, Chief Financial Officer, Chief Human Engagement Officer and Assistant General Manager - Internal Audit & Compliance of the Company are the permanent invitees to the meetings of Audit Committee and provide such information and clarifications as required by the Audit Committee, which provides a deeper insight into the respective business and functional areas of operations.

The Cost Auditors and the Internal Auditors also attend the respective Audit Committee Meetings, where cost audit report / internal audit reports are discussed.

The Committee fulfils its oversight mandates by leveraging the specialized knowledge of Management, Internal Auditors, Statutory Auditors, and external experts as required. Management retains ultimate responsibility for the preparation, presentation, and absolute integrity of the Company's standalone and consolidated financial statements. This includes establishing robust Internal Control over Financial Reporting (ICFR) frameworks that strictly adhere to applicable legal regulations and accounting standards. Furthermore, the Management actively evaluates and refines these internal systems to maintain a high-quality control environment.

The then Chairman of the Audit Committee, Mr. Mukul Gupta was present at the last AGM of the Company held on September 30, 2025.

B. Nomination and Remuneration Committee

- a) Composition: The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company meets the requirements of Section 178 of the Act and Regulation 19 of the SEBI LODR Regulations. As on March 31, 2026, the composition of the Committee was as under:

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S. No.	Name	Position	Category
1.	Mrs. Ambika Sharma	Chairperson	Independent Director
2.	Mr. Mukul Gupta [#]	Member	Independent Director
3.	CA Rajesh Jain ^{**}	Member	Independent Director
4.	Dr. Rajender Pal Singh [*]	Member	Independent Director

[#] Ceased to be the Member w.e.f. 31.03.2026 on account of completion of tenure.

^{**} Ceased to be the Member on 30.06.2026.

^{*} Appointed as the Member w.e.f. 31.03.2026.

The Board of Directors has, vide its resolution dated May 30, 2026, reconstituted the Nomination and Remuneration Committee w.e.f. July 01, 2026. The Committee now comprises of the following members:

S.No.	Name	Position	Category
1.	Mrs. Ambika Sharma	Chairperson	Independent Director
2.	Mr. Krishan Kumar Jalan	Member	Independent Director
3.	Dr. Rajender Pal Singh	Member	Independent Director

The Committee comprises of non-executive independent directors only. The Chairperson of the Committee is also an independent director.

- b) Terms of Reference: The terms of reference of the Nomination and Remuneration Committee, inter-alia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Preparation of description of the role and capabilities required for an independent director, on the basis of evaluation of balance of skills, knowledge and experience on the Board. For the purpose of identifying suitable candidates, the Committee may use:
 - the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors and the Board;
- Devising a policy on diversity of the Board;
- 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;
- Recommending to the Board whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors;
- Recommending to the Board all remuneration, in

whatever form payable to the senior management personnel;

- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes; and
 - To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.
- c) Meeting of Nomination and Remuneration Committee and attendance of members: During the financial year 2025-26, 4 (four) meetings of the Nomination and Remuneration Committee were held on May 30, 2025, August 13, 2025, November 13, 2025, and December 15, 2025. The attendance of members of the Committee at these meetings was as follows:

S. No.	Name of the Member	No. of Meetings	
		Held during tenure	Attended during tenure
1.	Mrs. Ambika Sharma	4	4
2.	Mr. Mukul Gupta [#]	4	3
3.	CA Rajesh Jain	4	4
4.	Dr. Rajender Pal Singh [*]	-	NA

[#] Ceased to be the Member w.e.f. 31.03.2026 on account of completion of tenure.

^{*} Appointed as the Member w.e.f. 31.03.2026.

The Company Secretary is acting as the Secretary to the Nomination and Remuneration Committee.

The Chairperson of the Committee, Mrs. Ambika Sharma was not present at the AGM of the Company held on September 30, 2025, and in her absence other member of the Committee viz. Mr. Mukul Gupta, authorized by her, attended the AGM.

- d) Performance Evaluation Criteria for Independent Directors: One of the key functions of the Board is to monitor and review the Board evaluation framework. In view of the same and pursuant to the applicable provisions of the Act and the SEBI LODR Regulations, the Board has, in consultation with its Nomination and Remuneration Committee, formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its committees, and executive / non-executive / independent directors through peer evaluation, excluding the director being evaluated.

A structured questionnaire is in place covering various aspects of the functioning of the Board and its Committees, such as adequacy of the constitution & composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meetings, Board's focus, regulatory compliances and corporate governance, compliance with code of conduct etc. Similarly, for evaluation of individual director's performance, the questionnaire covers various aspects like his / her profile, attendance, effective participation / contribution in Board and Committee meetings, execution

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and performance of specific duties, obligations, regulatory compliances and governance, etc.

The Board members had submitted their response on a scale of 1 (outstanding) to 5 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including the Chairman. The independent directors had met separately without the presence of non-independent directors and the members of senior management and discussed, inter-alia, the performance of non-independent directors and Board as a whole and the performance of the Chairman after taking into consideration the views of executive and non-executive directors.

The Nomination and Remuneration Committee has also carried out an evaluation of each director's performance. The performance evaluation of the independent directors has been done by the entire Board, excluding the director being evaluated. Based on the performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

- e) **Remuneration Policy:** The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on a review of achievements, on a periodical basis.

The key components of the Company's remuneration policy are:

- Compensation will be based on credentials and the major driver of performance;
- Compensation will be competitive and benchmarked with a selected group of companies from the pharmaceutical sector; and
- Compensation will be fully transparent and tax compliant.

The details of Remuneration policy are available on the Company's website viz. <https://www.panaceabiotec.com/en/section/information-repository/policy>.

C. Stakeholders' Relationship Committee

- a) **Composition:** The composition of the Stakeholders' Relationship Committee of the Board of Directors meets the requirements of Section 178 of the Act and Regulation 20 of the SEBI LODR Regulations. As on March 31, 2026, the composition of the Committee was as under:

S. No.	Name	Position	Category
1.	Mrs. Ambika Sharma	Chairperson	Independent Director
2.	Mr. Sandeep Jain	Member	Joint Managing Director
3.	Dr. Sanjay Trehan	Member	Whole-time Director

- b) **Role & Terms of Reference:** The Stakeholders' Relationship Committee plays an important role in acting as a link between the management and ultimate owners of the Company, i.e., the shareholders. The Committee looks after the redressal of investors' grievances and performance of

the Registrar & Transfer Agent and recommends measures for overall improvement in the quality of investor services. The terms of reference of the Committee, inter-alia, include the following:

- Approve issue of duplicate share / debenture certificates;
- Oversee the performance of the Company's Registrar & Transfer Agent;
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading;
- Consider, resolve and monitor various aspects of interest of shareholders, debenture holders and other security holders including the redressal of 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 measures taken for effective exercise of voting rights by shareholders;
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent and recommend methods to upgrade the service standards adopted by the Company; and
- Carry out any other matter relating to securities of the Company, any other areas of investors' service and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Other Terms:

- The Committee may delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s);
- The Committee may invite other directors / officers of the Company to attend the meetings of the Committee as invitees from time to time as and when required; and
- The Chairperson, or in his absence any other member of Committee authorised by him / her, attends the general meeting of the shareholders of the Company.

- c) **Meetings of Stakeholders' Relationship Committee and attendance of members:** During the financial year 2025-26, 4 (four) meetings of the Stakeholders' Relationship Committee were held on May 29, 2025, August 13, 2025, November 13, 2025 and February 10, 2026. The attendance of members of the Committee at these meetings was as follows:

S. No.	Name of the Member	No. of Meetings	
		Held during tenure	Attended during tenure
1.	Mrs. Ambika Sharma	4	4
2.	Mr. Sandeep Jain	4	4
3.	Dr. Sanjay Trehan	4	4

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The Company Secretary is acting as the Secretary to the Stakeholders' Relationship Committee.

Compliance Officer: Mr. Vinod Goel, Group CFO and Head Legal & Company Secretary acted as the Compliance Officer of the Company until December 15, 2025. Following a strategic change in his role, Mr. Ankit Jain, General Manager – Legal & Company Secretary was appointed as the Company Secretary and Compliance Officer, w.e.f. December 16, 2025. This appointment complies fully with Regulation 6(1) of the SEBI LODR Regulations. The Compliance Officer is actively supported by a dedicated team of qualified company secretaries.

The Chairperson of the Committee, Mrs. Ambika Sharma was not present at the AGM of the Company held on September 30, 2025, and in her absence other member of the Committee viz. Mr. Sandeep Jain, authorized by her, attended the AGM.

- d) Stakeholders' Grievance Redressal: The details of Investors' complaints received and resolved during the financial year 2025-26 are as under:

No. of Investor Complaints			
Pending as at April 01, 2025	Received from April 01, 2025 to March 31, 2026	Resolved from April 01, 2025 to March 31, 2026	Pending as at March 31, 2026
Nil	Nil	Nil	Nil

The Company put utmost priority on the satisfaction of its shareholders. To ensure seamless service, the Company maintains continuous interaction with its Registrar & Transfer Agent viz. Skyline Financial Services Pvt. Ltd. ("RTA"), to proactively track and resolve investor queries. All shareholder complaints, grievances, and suggestions are addressed expeditiously with suitable, timely responses. Unresolved matters are restricted solely to complex cases involving ongoing factual disputes or distinct legal constraints.

D. Risk Management Committee

- a) Composition: The composition of the Risk Management Committee of the Board of Directors of the Company meets the requirements of Regulation 21 of the SEBI LODR Regulations. As on March 31, 2026, the composition of the Risk Management Committee was as under:

S. No.	Name	Position	Category
1.	Dr. Rajesh Jain	Chairman	Chairman and Managing Director
2.	Mr. Sandeep Jain	Member	Joint Managing Director
3.	Mr. Ankesh Jain	Member	Whole-time Director
4.	Dr. Sanjay Trehan	Member	Whole-time Director
5.	Mr. Mukul Gupta [#]	Member	Independent Director
6.	CA Rajesh Jain ^{**}	Member	Independent Director
7.	Dr. Rajender Pal Singh [*]	Member	Independent Director

[#] Ceased to be the Member w.e.f. 31.03.2026 on account of completion of tenure.

^{**} Ceased to be the Member on 30.06.2026.

^{*} Appointed as a Member w.e.f. 31.03.2026.

The Board of Directors has, vide its resolution dated May 30, 2026, reconstituted the Risk Management Committee w.e.f. July 01, 2026. The Risk Management Committee now comprises of the following members:

S. No.	Name	Position	Category
1.	Dr. Rajesh Jain	Chairman	Chairman and Managing Director
2.	Mr. Sandeep Jain	Member	Joint Managing Director
3.	Mr. Ankesh Jain	Member	Whole-time Director
4.	Dr. Sanjay Trehan	Member	Whole-time Director
5.	Dr. Rajender Pal Singh	Member	Independent Director

- b) Role & Terms of Reference: The Risk Management Committee plays an important role in overseeing the risk management framework which encompasses risk identification, its likely impact on the Company and mitigation plan for the same. The terms of reference of the Risk Management Committee, inter-alia, include the following:

- Formulation of a detailed risk management policy which shall include:
 - (i) A framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - (iii) Business continuity plan;
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Reviewing periodically the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

- c) Meetings of Risk Management Committee and attendance of members: During the financial year 2025-26, 2 (two) meetings of Risk Management Committee were held on May 30, 2025, and November 13, 2025. The attendance of members of the Risk Management Committee at the meetings was as follows:

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S. No.	Name of the Member	No. of Meetings	
		Held during tenure	Attended during tenure
1.	Dr. Rajesh Jain	2	-
2.	Mr. Sandeep Jain	2	2
3.	Mr. Ankesh Jain	2	1
4.	Mr. Mukul Gupta [#]	2	1
5.	Dr. Sanjay Trehan	2	2
6.	CA Rajesh Jain*	-	NA
7.	Dr. Rajender Pal Singh*	-	NA

[#] Ceased to be the Member w.e.f. 31.03.2026 on account of completion of tenure.

* Appointed as a Member w.e.f. 31.03.2026.

E. Global Expansion and Project Management Committee

- a) Composition: The Board of Directors has constituted the Global Expansion and Project Management Committee on August 14, 2025, to evaluate various business proposals for global expansion, oversee detailed due diligence, strategic program structuring, risk assessment, and submitting final reports for approval of the Board. As on March 31, 2026, the composition of the Global Expansion and Project Management Committee was as under:

Sr. No.	Name	Position	Category
1.	CA Rajesh Jain	Chairman	Independent Director
2.	Mr. Ankesh Jain	Member	Whole-time Director
3.	Mr. Harshet Jain	Member	Whole-time Director
4.	Dr. Venkatesh Sarvasiddhi	Member	Independent Director

On May 30, 2026, the Board of Directors has approved dissolution of the Global Expansion and Project Management Committee due to the fact that the timelines for Global Expansion Project have been deferred for more than one year on account of proposed changes in the product, detailed feasibility study report and requisite due diligence thereof.

- b) Meetings of Global Expansion and Project Management Committee and attendance of members: During the financial year 2025-26, 2 (two) meetings of Global Expansion and Project Management Committee were held on September 08, 2025, and September 26, 2025. The attendance of members of the Global Expansion and Project Management Committee at the meetings was as follows:

S. No.	Name of the Member	No. of Meetings	
		Held during tenure	Attended during tenure
1.	CA Rajesh Jain	2	2
2.	Mr. Ankesh Jain	2	2
3.	Mr. Harshet Jain	2	2
4.	Dr. Venkatesh Sarvasiddhi	2	2

F. Dubai Advance Settlement Committee

- a) Composition: The Board of Directors has constituted the Dubai Advance Settlement Committee on August

14, 2025, to inter-alia oversee and ensure the proper assessment, accounting, and settlement of refunds and/or compensation in relation to advance payments made for immovable properties in Dubai and also to manage and oversee associated legal, financial, taxation, and reputational risks arising from the settlement process. As on March 31, 2026, the composition of the Dubai Advance Settlement Committee was as under:

Sr. No.	Name	Position	Category
1.	CA Rajesh Jain	Chairman	Independent Director
2.	Dr. Sanjay Trehan	Member	Whole-time Director
3.	Mr. Vinod Goel	Member	Group CFO and Head Legal & Corporate Governance

On May 30, 2026, the Board of Directors has approved dissolution of the Dubai Advance Settlement Committee due to the fact that the money received in relation to the Dubai Properties, has been returned to Dubai Counsel's Account. The Company will take all necessary actions including engaging existing Dubai Counsel and/or enrolling new Counsel and will file a fresh application with the Dubai Court to secure a revised Dubai Court's Order which will take much time than expected.

- b) Meetings of Dubai Advance Settlement Committee and attendance of members: During the financial year 2025-26, 1 (one) meeting of Dubai Advance Settlement Committee was held on September 24, 2025. The attendance of members of the Dubai Advance Settlement Committee at the meeting was as follows:

S. No.	Name of the Member	No. of Meetings	
		Held during tenure	Attended during tenure
1.	Mr. Mukul Gupta	1	1
2.	CA Rajesh Jain	1	1
3.	Mr. Vinod Goel	1	1
4.	Mr. Devender Gupta*	1	1

* Ceased to be the Member upon resignation from the Company w.e.f. 15.12.2025.

G. ERP System Assessment Committee

- a) Composition: The Board of Directors has constituted the ERP System Assessment Committee on August 14, 2025, to look into the challenges being faced in implementation of Oracle NetSuite ERP and suggest the way forward regarding implementation thereof or reverting to SAP ERP. As on March 31, 2026, the composition of the ERP System Assessment Committee was as under:

Sr. No.	Name	Position	Category
1.	CA Rajesh Jain	Chairman	Independent Director
2.	Mr. Sandeep Jain	Member	Joint Managing Director
3.	Mr. Vinod Goel	Member	Group CFO and Head Legal & Corporate Governance

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On May 30, 2026, the Board of Directors has approved dissolution of the ERP System Assessment Committee due to the challenges being faced upon implementation of Oracle NetSuite ERP and management's decision to reverting to SAP ERP.

- b) Meetings of ERP System Assessment Committee and attendance of members: During the financial year 2025-26, 2 (two) meetings of ERP System Assessment Committee were held on September 24, 2025, and October 14, 2025. The attendance of members of the ERP System Assessment Committee at the meetings was as follows:

S. No.	Name of the Member	No. of Meetings	
		Held during tenure	Attended during tenure
1.	CA Rajesh Jain	2	2
2.	Mr. Sandeep Jain	2	2
3.	Mr. Mukul Gupta	2	2
4.	Mr. Vinod Goel	2	1
5.	Mr. Devender Gupta*	2	2

* Ceased to be the Member upon resignation from the Company w.e.f. 15.12.2025.

4. Senior Management Personnel including changes therein since the close of previous financial year

As on the date of the report, the following officers and personnel of the Company and its material subsidiary viz. Panacea Biotec Pharma Limited ("PBPL") are members of core management team (excluding the members of the Board of Directors):

S. No.	Name	Designation
A.	<u>Panacea Biotec Limited:</u>	
1.	Dr. Amulya Kumar Panda	Associate Director
2.	Mr. Vinod Goel	Group CFO and Head Legal & Corporate Governance
3.	Mr. Deepak Mahajan	Chief Operating Officer - Vaccine Operations
4.	Mr. Narender Pal Singh	Vice President & Site Head, Vaccine Drug Substance Plant
5.	Mr. Gurinder Pal Singh	Sr. Vice President – Sales
6.	Mr. Khalid Ali Syed	Chief Scientific Officer
7.	Mr. Kulvinder Sarao	Chief Human Engagement Officer and President
8.	Mr. Parmanand Das Karan	Sr. Vice President - Business Development & Corporate Affairs
9.	Dr. Lalitendu Mohanty	Sr. Vice President - Clinical Research & Pharmacovigilance
10.	Dr. Naveen Kumar Jain	Sr. Vice President – New Product Initiatives & Project Management
11.	Mrs. Navita Khanna	Vice President - Business Development & Supply Chain Management (Biologicals)
12.	Mr. Rajneesh Chatrath	Vice President - Corporate Quality Assurance
13.	Mr. Ashish Jain	Chief Information Officer
14.	Mrs. Anshu Rastogi	General Manager - Global Sourcing (Biologicals)
15.	Mr. Ankit Jain	General Manager – Legal and Company Secretary

S. No.	Name	Designation
B.	<u>Panacea Biotec Pharma Limited:</u>	
1.	Mr. Dinesh Singla	Chief Quality and Regulatory Officer
2.	Mr. Bal Krishan Saini	Sr. Vice President - Head Pharma Plant Operations & Corporate Project and Engineering Head
3.	Mr. Rishi Prakash	Vice President – Business Development & Sales (Region 1, 2 & 4)
4.	Mr. Sarad Kumar Singh	Vice President - International Markets (ROW Region 3)

The following changes in Senior Management Team ("SMP") of PBL and PBPL have occurred since the close of the previous financial year till the date of the report i.e. August 13, 2026:

S. No.	Name	Designation	Changes
1.	Dr. Shekhar Patel	Chief Executive Officer - US Business	Resigned w.e.f. 25.06.2025
2.	Mohammed Shafiqur Rahman	Vice President – Regulatory Affairs	Superannuated on 31.07.2025
3.	Mr. Bal Krishan Saini	Sr. Vice President - Head Pharma Plant Operations & Corporate Project and Engineering Head	Appointed w.e.f. 13.11.2025
4.	Mr. Devender Gupta	Chief Financial Officer & Head Information Technology	Resigned w.e.f. 15.12.2025
5.	Mr. Ankit Jain	General Manager – Legal and Company Secretary	Promoted w.e.f. 16.12.2025
6.	Dr. Rajeeva Kumar Mangalum	Chief Operating Officer	Superannuated on 31.07.2026

5. Remuneration of Directors

The elements of remuneration of the executive directors consists of basic salary, perquisites and variable portion in the form of commission on profits in the case of Chairman and Managing Director, Joint Managing Director and Whole-time Directors, as approved by the Board of Directors and shareholders of the Company within the limits prescribed in Schedule V to the Act. The Nomination and Remuneration Committee recommends to the Board the compensation package of the executive directors.

- a) Remuneration to Executive Directors: The shareholders have, by way of resolutions passed through Postal Ballot dated 13.11.2024, approved the re-appointment of Dr. Rajesh Jain, as Chairman and Managing Director of the Company. The shareholders have also, by way of resolutions passed through Postal Ballot dated 14.02.2025, approved appointment / re-appointment of Mr. Sandeep Jain as Joint Managing Director and Mr. Ankesh Jain, Mr. Harshet Jain & Dr. Sanjay Trehan as Whole-time Directors of the Company. The said appointments / re-appointments have been done on certain terms and conditions including their remuneration subject to prescribed limit under the rules and regulations.

The details of remuneration paid to Chairman and Managing / Joint Managing / Whole-time Directors during

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the financial year 2025-26 are as under:

(₹ in million)

S. No.	Name	Designation	Salary/ Sitting fee	Allowances / Perquisites*	Total
1.	Dr. Rajesh Jain	Chairman and Managing Director	6.00	3.00	9.00
2.	Mr. Sandeep Jain	Joint Managing Director	5.52	2.89	8.41
3.	Mr. Ankesh Jain	Whole-time Director	0.53 [#]	0.00	0.53
4.	Mr. Harshet Jain	Whole-time Director	3.60	0.04	3.64
5.	Dr. Sanjay Trehan	Whole-time Director	0.84	0.00	0.84

* Does not include the provision for Gratuity & Leave Encashment.

[#] Mr. Ankesh Jain has ceased to draw monthly remuneration from the Company w.e.f. 01.06.2024 and is now entitled to receive sitting fees for attending meetings of the Board and Committees thereof.

Notes:

- The tenure of office of Mr. Ankesh Jain, Whole-time Director is for 5 (five) years and the tenure of Chairman and Managing Director, Joint Managing Director and other Whole-time Directors is for 3 (three) years from their respective date of appointments and can be terminated by either party by giving three months' notice in writing or a shorter period as decided mutually. No severance fee (other than retiral benefits as per the terms of appointment) is payable upon termination of contract.
- The Company has an Employees' Stock Option Scheme which was approved by its shareholders through Postal Ballot on 17.07.2020. However, no further steps have been taken pursuant to such Scheme.
- All elements of remuneration of the Chairman and Managing / Joint Managing / Whole-time Director, i.e., salary, perquisites and other benefits, etc. are given in Note No. 41B to the Standalone Financial Statements of the Company.

- b) Criteria for making payment to Non-executive Directors: The Company's non-executive directors are professionals with high levels of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, research & innovation. The Company's non-executive directors have been shaping and steering the long-term strategy and making valuable contributions towards Panacea's group level strategy, monitoring risk management and compliances.

The independent directors are being paid only the sitting fees for attending the meetings of the Board or Committees thereof, of such sum as may be approved by the Board of Directors within the overall limits as prescribed under the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details of sitting fees paid to the directors during financial year 2025-26 are as under:

(₹ in million)

S. No.	Name	Sitting Fees
1.	Mr. Ankesh Jain	0.53
2.	Mrs. Ambika Sharma	0.98
3.	Mr. Krishan Kumar Jalan	0.55
4.	Mr. Mukul Gupta	1.10
5.	Dr. Rajender Pal Singh	0.55
6.	CA Rajesh Jain	1.08
7.	Dr. Venkatesh Sarvasiddhi	0.65

In addition to the sitting fees, the non-executive director gets reimbursement of the expenses, if any, incurred by him / her for attending the meeting of the Board and/or Committee thereof.

- c) Service Contracts, Notice Period and Severance Fees: As on March 31, 2026, the Board comprised of 11 (Eleven) directors, including 5 Executive Directors and 6 Independent Directors. However, Mr. Mukul Gupta, Independent Director, ceased to be the director w.e.f. close of business hours on March 31, 2026, due to completion of his second and final tenure as an Independent Director of the Company.

Dr. Rajesh Jain, Chairman and Managing Director, Mr. Sandeep Jain, Joint Managing Director, Mr. Ankesh Jain, Whole-time Director, Mr. Harshet Jain, Whole-time Director and Dr. Sanjay Trehan, Whole-time Director are employees of the Company. Hence, the provision for payment of severance fees to them shall be as per the terms mentioned in their respective Service Contract and in terms of the Company's Policy. However, other Directors are not subject to any notice period and severance fees.

- d) All pecuniary relationship or transactions of the Non-executive Directors: There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its non-executive directors which have potential conflict with the interest of the organization at large except those disclosed in the Financial Statements for the financial year ended March 31, 2026.
- e) Stock options details, if any: During the financial year under review, no options under the Company's ESOP Scheme were granted to any Executive / Non-Executive Directors of the Company.

6. General Body Meetings

- a) Annual General Meetings: In compliance with the applicable provisions of the Act and General Circulars issued by the Ministry of Corporate Affairs from time to time, the Company's last 3 (three) year Annual General Meetings were conducted through Video Conferencing / Other Audio Visual Means. These meetings were deemed to have been held at the Registered Office of the Company situated at Ambala-Chandigarh Highway, Lalru-140501, Punjab.

The date and time of the last three Annual General Meetings held through Video Conferencing / other Audio Visual Means, are set out below. No special resolutions were proposed or passed at any of these meetings:

Financial Year	Date	Time
2024-25	30.09.2025	11:30 A.M.
2023-24	27.09.2024	11:30 A.M.
2022-23	29.09.2023	11:30 A.M.

- b) Extra-ordinary General Meetings: No Extra-ordinary General Meeting was conducted during the year under review.

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- c) Postal Ballot: During the financial year 2025-26, the Company did not pass any resolution through Postal Ballot.
- d) Details of resolution proposed to be conducted through Postal Ballot: None of the businesses are proposed to be transacted at the ensuing AGM which require passing of a Special Resolution through Postal Ballot.
- e) Participation and voting at the 42nd Annual General Meeting ("AGM"): The 42nd AGM of the Company will be held through video conferencing / other audio-visual means and shall be deemed to be conducted at the Registered Office of the Company at Ambala-Chandigarh Highway, Lalru - 140501, Punjab.

The detailed procedure and instructions for participation and voting at the meeting are available in the Notice of the 42nd AGM of the Company.

7. Means of communication

The Company recognizes the importance of two-way communication with shareholders and of giving a balanced reporting of any disclosure, results etc. and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly or to the Company's Registrar & Transfer Agent throughout the year. Some of the modes of communication are mentioned below:

- a) Financial Results: The quarterly / half-yearly / annual financial results are published in the prominent daily newspapers, viz. Business Standard, New Delhi and Mumbai editions and in Desh Sewak, Chandigarh edition, the local newspaper published in the language of the region in which Registered Office is situated.
- b) Intimation to the Stock Exchanges: In compliance with Regulation 30 of the SEBI LODR Regulations, the Company promptly discloses all material and unpublished price-sensitive information to the stock exchanges, followed by press releases when necessary, and all intimations are simultaneously uploaded on Company's website. It maintains strict adherence to all statutory reporting requirements under the SEBI LODR Regulations.
- c) News Releases, Presentations: Press releases are sent to the Stock Exchanges before sending the same to media and are also displayed on the Company's website i.e. <https://www.panaceabiotec.com/en/section/news-centre>.
- d) Annual Reports: The Annual Report containing, inter alia Audited Financial Statements (Standalone as well as Consolidated), Directors' Report including Annexures and the Management Discussion & Analysis Report, Auditor's Report, Business Responsibility & Sustainability Report, Corporate Governance Report and other important information is sent to every shareholder of the Company and others entitled thereto, by email. The physical copy thereof is also sent to the shareholder(s) by post / courier, upon receipt of request in this regard. The Annual Report is also available in downloadable form on the website of the Company under the link <https://www.panaceabiotec.com/en/section/information-repository/annual-report>.

- e) Website: The Company's website, viz. <https://www.panaceabiotec.com> contains a separate dedicated 'Investor Zone' section to serve shareholders, by giving complete information pertaining to the Board of Directors and its Committees, annual reports along with supporting documents, financial results including subsidiaries financials, stock exchange disclosures and compliances such as shareholding pattern, corporate governance report and press releases, notice of the Board and General Meetings, contact details of Registrar & Transfer Agent, details of unclaimed or unpaid dividend and Investor Education and Protection Fund ('IEPF') related information, amongst others.

- f) Presentations to Institutional Investors / analysts: During the year under review, no presentations on financial results are made to the Institutional Investors or to the analysts.

- g) SEBI Complaints Redressal System (SCORES): The investor complaints are processed by the SEBI in a centralized web-based complaints redressal system. The salient features of this system are - centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its status.

Online Dispute Resolution Portal ("ODR") - SEBI's alternative Dispute Resolution Mechanism: SEBI vide its circular dated July 31, 2023, as amended, has introduced common ODR portal for streamlining of dispute resolution mechanism with support of Stock Exchanges and Depositories, collectively referred to as Market Infrastructure Institutions (MIs), and launched a common ODR Portal, which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. All Investors and Listed Companies / Specified Intermediaries / Regulated entities are under the ambit of ODR.

- h) NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre): NEAPS and BSE Listing Centre are web-based applications designed by NSE and BSE respectively, for the corporates, for smooth filing of information to the stock exchanges. All periodical compliance related filings like shareholding pattern, corporate governance report, results, press releases, and other disclosures under the SEBI LODR Regulations are electronically filed on NEAPS and BSE Listing Centre.
- i) Designated Exclusive email-id: The Company has designated the following email-id for investor servicing, investorgrievances@panaceabiotec.com.

Investors can also email their queries to the Registrar & Transfer Agent at compliances@skylinerta.com or viren@skylinerta.com.

8. General Information for Shareholders

- a) Company Registration Details: The Company is registered in the state of Punjab, India. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs is L33117PB1984PLC022350.

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- b) Date of AGM: The 42nd AGM is scheduled to be held on Tuesday, the 29th day of September 2026, at 11:30 A.M. through video conferencing / other audio-visual means and shall be deemed to be conducted at the Registered Office of the Company at Ambala-Chandigarh Highway, Lalru - 140501, Punjab.

Remote e-voting Period shall be from Saturday, September 26, 2026 (09:00 A.M.) to Monday, September 28, 2026 (05:00 P.M.)

- c) Financial Year: The financial year of the Company covers the period from April 01 to March 31.
- d) Financial Calendar 2026-27:

S. No. Tentative Schedule	Actual or Tentative Date (on or before as the case may be)
1. Financial reporting for the quarter ended June 30, 2026	August 13, 2026 (Actual)
2. Financial reporting for the quarter ending September 30, 2026	By November 14, 2026
3. Financial reporting for the quarter ending December 31, 2026	By February 14, 2027
4. Financial reporting for the quarter ending March 31, 2027	By May 30, 2027
5. Annual General Meeting for the year ending March 31, 2027	On or before September 30, 2027

- e) Date of Book Closure: The Share Transfer Books and Register of Members of the Company will remain closed from Friday, September 25, 2026 to Tuesday, September 29, 2026 (both days inclusive) for the purpose of AGM.
- f) Dividend Payment Date: In view of accumulated losses until previous year and during the financial year under review, the Board of Directors has not recommended any dividend on the Equity as well as Preference Shares of the Company.

In terms of Regulation 43A of the SEBI LODR Regulations, the Company has the Dividend Distribution Policy with an objective to broadly specify the circumstances under which the shareholders of the Company may or may not expect dividend and the external and internal factors including financial parameters that shall be considered by the Board of Directors of the Company while declaring dividend and how the retained earnings shall be utilized, in the interest of providing transparency to the shareholders. The said policy is available on the Company's website at the link: <https://www.panaceabiotec.com/en/section/information-repository/policy>.

- g) Transfer of Unpaid / Unclaimed Dividends and Shares to Investor Education and Protection Fund (IEPF): Pursuant to the provisions of Section 124 and 125 of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, declared dividends which remained unpaid or unclaimed by the shareholders for a period of 7 (seven) consecutive years or more are required to be transferred by the Company to the IEPF, which has

been established by the Central Government. In pursuance of this, the dividend remaining unclaimed in respect of dividends declared upto the financial year 2010-11 have been transferred to the IEPF.

Pursuant to the provisions of Section 124(6) of the Act read with IEPF Rules as amended from time to time, all the shares in respect of which dividend has not been claimed by the concerned shareholders for 7 (seven) consecutive years or more shall be transferred by the Company into the Demat Account of IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial year 2010-11 and remained unclaimed for a continuous period of 7 (seven) years have been transferred to the Demat Account of IEPF Authority.

The number of shares transferred and held by IEPF Authority as on March 31, 2026, is as under:

S. No.	Particulars	No. of shares
1.	No. of shares transferred during financial year 2017-18	72,879
2.	No. of shares transferred during financial year 2018-19	42,414
3.	Total No. of shares transferred	115,293
4.	Less: Shares transferred back to the Shareholders by the IEPF Authority	12,360
5.	Aggregate shares held by IEPF Authority	102,933

The details of such persons whose shares have been so transferred to the IEPF is available on the Company's website <https://www.panaceabiotec.com/en/section/information-repository/other-important-information>.

Any person whose shares and/or unpaid / unclaimed dividends get transferred to the IEPF, may claim the shares and/or unpaid / unclaimed dividends from the IEPF in accordance with prescribed procedure and on submission of prescribed documents.

The voting rights on the shares transferred to IEPF Authority remain frozen till the rightful owner claims the shares.

As on the date of this report, no request is pending for claiming back shares from IEPF authority.

- h) Listing on Stock Exchanges: The Company's Equity Shares are listed on the following Stock Exchanges:

- The National Stock Exchange of India Limited, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 ("NSE"); and
- BSE Limited, P J Tower, Dalal Street, Fort, Mumbai - 400001 ("BSE").

The Company's Preference Shares are not listed on any Stock Exchange.

The Company has paid listing fees for the financial year 2025-26 to both the above stock exchanges and there is no outstanding payment as on date.

- i) Payment of Depository fees: The Company has paid Annual

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Custody / Issuer fee to both Depositories viz. National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") based on invoices received from them and there is no outstanding payment as on date.

- j) Market Price data: The Monthly High and Low prices of the shares of the Company at BSE and NSE during the year ended March 31, 2026, are as under:

Month	Share price at BSE (in ₹)		Share price at NSE (in ₹)	
	High	Low	High	Low
April 2025	579.00	420.25	581.90	421.65
May 2025	581.00	480.20	581.00	481.50
June 2025	520.35	397.70	522.90	397.70
July 2025	447.10	395.75	448.30	395.00
August 2025	438.30	381.05	439.70	380.05
September 2025	474.50	398.00	474.25	393.10
October 2025	465.55	398.50	464.00	398.50
November 2025	443.70	342.05	443.95	341.50
December 2025	433.50	323.40	433.95	322.65
January 2026	447.35	342.35	448.00	342.40
February 2026	382.00	328.00	382.90	327.55
March 2026	362.55	293.10	365.00	292.40

- k) Registrar & Transfer Agent: Skyline Financial Services Pvt. Ltd. is acting as Registrar & Transfer Agent ("RTA") for handling the shares related matters, both in physical as well as dematerialized mode. All the work relating to equity shares are being done by the RTA. The Shareholders are, therefore, advised to send all their correspondence directly to the RTA. However, for the convenience of shareholders, documents relating to shares received by the Company are forwarded to the RTA for necessary action thereon.
- l) Share Transfer System: In terms of Regulation 40(1) of the SEBI LODR Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. The Company had sent communications to the shareholders encouraging them to get their shareholding in the Company dematerialised. The communication, inter-alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. In the case of shares held in electronic form, the transfers are processed by NSDL and CDSL through respective Depository Participants.

The Board of Directors has delegated authority for processing share transmission, transposition, and dematerialisation to the Company Secretary and RTA. This delegated authority periodically reviews requests (on a weekly basis or as required) to ensure fast-tracked investor grievance redressal. The RTA generally processes all incoming requests within 7 (seven) to 15 (fifteen) days of receipt, dispatching letters of confirmation in lieu of physical share certificates via registered post where applicable. Furthermore, following recent regulatory simplifications to the SEBI LODR Regulations, the Company is no longer required to obtain or file the annual Practising

Company Secretary compliance certificate previously mandated under Regulation 40(9) of the SEBI LODR Regulations.

In accordance with SEBI's updated regulatory framework extending the previous 2025 directives, a special one-year window is open from February 05, 2026, to February 04, 2027, to facilitate the re-lodgement of physical share transfer requests. This facility applies exclusively to transfer deeds submitted prior to April 01, 2019, that were returned, rejected, or delayed due to documentation defects. All the concerned investors must submit their rectified requests, original share certificates, and compliance papers to the Company's RTA before the deadline. Under current SEBI mandates, all shares approved through this special window will be issued solely in dematerialised form and shall be subject to a mandatory one-year lock-in period from the date of registration.

- m) Nomination Facility: Pursuant to Section 72 of the Act, the members are entitled to have a nomination in respect of shares held by them. The members holding shares in physical form and desirous of making a nomination are requested to send their requests in Form No. SH-13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, available on the Company's website at <https://www.panaceabiotec.com/en/section/information-repository/other-important-information> or may write to the RTA of the Company. Those holding shares in dematerialized form may contact their respective Depository Participant to avail the nomination facility.
- n) Share Certificates in respect of sub-divided Shares: After the sub-division of the Company's Equity Shares of ₹10 each into Equity Shares of ₹1 each, in the year 2003, the Company had sent several letters to all the shareholders holding shares of the face value of ₹10 in physical form, requesting them to exchange their share certificate(s) into new share certificate(s) in respect of shares of face value of ₹1 each. Members may kindly note that consequent to the sub-division of shares of the Company from ₹10 to ₹1, the share certificates of the face value of ₹10 have ceased to be valid for any purpose whatsoever.

Hence, all the shareholders who have not yet sent their request for exchange of share certificates are requested to immediately forward their old share certificate(s) in respect of shares of face value of ₹10 each (which are no longer tradable) to the Company, along with a request letter duly signed by all the joint holders.

- o) Elimination of duplicate mailing: The shareholders who are holding shares in more than one folio in identical name or in joint holders' name in similar order, may send the share certificate(s) along with request for consolidation of holding in one folio.
- p) Reconciliation of Share Capital Audit: The Company gets reconciliation of share capital audit done from Practising Company Secretary in each quarter to reconcile the total admitted capital with NSDL & CDSL and total issued and listed capital. The audit reports confirm that the

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total issued / paid up capital is in agreement with the total number of equity shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Audit Reports for each quarter of the Financial Year 2025-26 have duly been filed with the Stock Exchanges within one month from the end of the respective quarter.

q) Distribution of Shareholding as on March 31, 2026:

i) Equity Shares:

Category (Amount) From – To	Shareholders		Equity Shares held	
	Number	% of total no. of Shareholders	Number	% of Shareholding
Upto 5,000	32,279	98.95	59,26,615	9.68
5,001-10,000	147	0.45	10,70,007	1.75
10,001-20,000	83	0.25	11,55,061	1.89
20,001-30,000	33	0.10	8,16,314	1.33
30,001-40,000	17	0.05	5,88,470	0.96
40,001-50,000	11	0.03	4,81,565	0.79
50,001-1,00,000	25	0.08	16,30,754	2.66
1,00,001 and above	25	0.08	4,95,81,960	80.95
Total	32,620	100.00	6,12,50,746	100.00

ii) Preference Shares:

Category (Amount) From – To	Shareholders		Preference Shares held	
	Number	% of total no. of Shareholders	Number	% of Shareholding
1,00,001 and above	2	100.00	1,61,37,000	100.00
Total	2	100.00	1,61,37,000	100.00

r) Pattern of Shareholding as on March 31, 2026:

i) Equity Shares:

S. No.	Category	No. of Shares	% of Shareholding
1.	Promoters and Promoters' Group	4,43,94,190	72.48
2.	Institutional Investors (FIIIs, Banks, Mutual Funds, NBFC and Alternate Investment Funds)	12,04,107	1.97
3.	NRIs / OCB / Foreign Corporate Bodies / Foreign Portfolio Investors	17,06,361	2.79
4.	Domestic Companies	9,02,423	1.47
5.	Indian Public / Trust / PMS / Others	1,30,43,665	21.29
	Total	6,12,50,746	100.00

ii) Preference Shares:

S. No.	Category	No. of Shares	% of Shareholding
1.	Promoters and Promoters' Group	1,61,37,000	100.00
	Total	1,61,37,000	100.00

- s) Share Dematerialization System: The requests for dematerialization of shares are processed by the RTA expeditiously and the confirmation in respect of dematerialization of shares is entered by the RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by the RTA in the Depository System.

- t) Dematerialization of Shares and its liquidity: The Company has been among the few topmost companies in India in which maximum number of shares have been dematerialized. As on March 31, 2026, 99.76% of the Company's total Equity Share Capital representing 6,11,04,526 Equity Shares were held in dematerialized form and only 1,46,220 Equity Shares were held in physical form.

The shareholders holding shares in physical form are requested to contact any of the Depository Participants in their vicinity to get their shares dematerialized at the earliest, as the Company's shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

The Equity Shares of the Company are regularly traded at the NSE and the BSE.

- u) Suspense Escrow Demat Account ("SEDA"): During the financial year 2025-26, the Company processed all investor service requests such as duplicates, transmissions, transpositions, and endorsements exclusively in electronic form. Instead of a physical certificate, shareholders received a temporary Letter of Confirmation (LOC), which had to be submitted to their respective Depository Participant within 120 days to credit the shares to their personal demat

Report on Corporate Governance

account and in case of failure, the underlying securities used to be transferred to the Company's Suspense Escrow Demat Account (SEDA). As on March 31, 2026, Nil shares were lying in the SEDA.

Now, SEBI officially discontinued the SEDA framework. All approved securities are now verified directly at the Company/RTA level and credited directly to the claimant's demat account.

- v) Outstanding ADRs / GDRs / Warrants or any convertible Instruments, conversion date and likely impact on equity: The Company does not have any outstanding ADRs / GDRs / Warrants or any convertible Instruments.
- w) Disclosure of commodity price risks and commodity hedging activities: The Company's finished goods i.e. vaccines are normally not prone to commodity price risk. They are, in fact, subject to the risk of the Government's intervention in the domestic market and competitive scenario in the international market. However, the Company's raw materials are subject to commodity price risks. The Company does not have any hedging activities for the same. The Company is a net foreign exchange earner and like other players in the pharmaceutical sector, it faces foreign currency fluctuation risk. Looking at the availability of natural hedge and the future long-term trend, the Company keeps its position generally open.
- x) Plant Locations:
 - Vaccines Formulations facility at Village Malpur, Baddi, Dist. Solan, Himachal Pradesh - 173205, India.
 - Drug Substance for Vaccines facilities at Village Samalheri, Ambala-Chandigarh Highway, Lalru-140501, Dist. Mohali (S.A.S. Nagar), Punjab, India.
 - Pharmaceuticals Formulations, Oncology and Health Supplement facilities at Village Malpur, Baddi, Dist. Solan, Himachal Pradesh - 173205, India (owned by Panacea Biotec Pharma Limited, Company's wholly-owned subsidiary).
- y) Address for correspondence:

For transfer / dematerialization of shares, payment of dividend and any other query relating to shares

Skyline Financial Services Private Limited
D-153 A, 1st Floor, Okhla Indl. Area, Phase-I, New Delhi - 110020, India
Phone : +91-11-40450193-97; Fax: +91-11-26812682
E-mail: compliances@skylinerta.com, viren@skylinerta.com

For investors assistance

Company Secretary, Panacea Biotec Limited
B-1 Extn./G-3, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110 044, India
Phone: +91-11-41679000 Extn. 2071, 41578035 (D)
Email: companysec@panaceabiotec.com, investor@grievances@panaceabiotec.com
Contact Person: Ms. Ritu Dhyani, Manager - Secretarial & Compliance

For query relating to financial matters

Chief Financial Officer, Panacea Biotec Limited
B-1 Extn./G-3, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110 044, India
Phone: +91-11-41679000 Extn. 2041, 41578055 (D)
E-mail: amitsaraswat@panaceabiotec.com
Contact Person: Mr. Amit Saraswat, General Manager – Business Operations & Finance

- z) Credit Rating: During the year under review, the Company has not availed any new bank facilities and has consequently not undertaken any credit rating exercise.

9. Other Disclosures

- a) Material Related Party Transactions: The Company's major related party transactions are generally with its subsidiaries / associate / joint venture companies. All transactions entered with related parties as defined under the Act and Regulation 23 of the SEBI LODR Regulations during the financial year 2025-26 were in the ordinary course of business and on an arm's length basis.

The required statements / disclosures with respect to the related party transactions, if any, as prescribed in the SEBI LODR Regulations, are placed before the Audit Committee on a regular basis with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, external expert opinions are sought for Board consideration.

Further, during the year under review, there were no materially significant related party transactions with the Company's subsidiaries, promoters, directors or management, their relatives, etc., that may have potential conflict with the interests of the Company at large. The other related party transactions are given in Note No. 41 to the Standalone Financial Statements for the year ended March 31, 2026 forming part of the Annual Report.

In accordance with Regulation 23 of the SEBI LODR Regulations, a policy relating to dealing with Related Party Transactions has been formulated by the Company and available on the website of the Company and can be accessed through the link: <https://www.panaceabiotec.com/en/section/information-repository/policy>. The Register

Report on Corporate Governance

of Contracts / Statements of related party transactions are placed before the Audit Committee / the Board, regularly.

- b) **Compliances by the Company:** The Company comply with all the applicable laws in true letter and spirit. Therefore, during the last 3 (three) financial years, there were no instances of material non-compliance by the Company related to capital markets and no penalty or strictures were imposed on the Company by Stock Exchanges or SEBI or any such other Statutory Authority. Further, the securities of the Company were not suspended from trading at any time during the year under review.

However, in the previous year, both the Stock Exchanges have imposed a fine of ₹11,800 (inclusive of GST) each, for one inadvertent non-compliance of the provisions of Regulation 29(1)(e) of the SEBI LODR Regulations, related to intimation regarding proposed passing over of dividend for financial year 2023-24. The Company has made few representations in this regard and simultaneously paid the said fine amount.

As on date, no amount is outstanding towards any of the Stock Exchanges.

- c) **Vigil Mechanism:** The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting instances of illegal or unethical behavior. The Company has a Vigil Mechanism and has implemented a Vigil Mechanism / Whistle Blower Policy in the Company in pursuance of Regulation 22 of the SEBI LODR Regulations and during the year under review, no personnel were denied access to the Chairman of the Audit Committee of the Company. A copy of Vigil Mechanism / Whistle Blower Policy is available on the website of the Company and can be accessed through the link: <https://www.panaceabiotec.com/en/section/information-repository/policy>.
- d) **Details of utilization of funds raised through preferential allotment or qualified institutions placement:** During the year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI LODR Regulations. Also, there were no unutilized funds available with the Company as on March 31, 2026.
- e) **Certification from Company Secretary in Practice:** As required under Regulation 34(3) read with Clause 10(i) Part C of Schedule V of the SEBI LODR Regulations, the Company has received a certificate from M/s R&D Company Secretaries, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continue as Director of Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed as **Annexure – III** and forms part of this Report.

- f) **Governance of Subsidiary Companies:** All subsidiary companies are Board managed with their Board of Directors having the rights and obligations to manage such companies in the best interests of their respective stakeholders. In terms of Regulation 16(1)(c) of the SEBI LODR Regulations, the Board of Directors has adopted

a policy with regard to the determination of material subsidiaries. The policy is available on the website of the Company and can be accessed through the link: <https://www.panaceabiotec.com/en/section/information-repository/policy>.

As on March 31, 2026, Panacea Biotec Pharma Limited ("PBPL") was the only material non-listed Indian subsidiary of the Company. In compliance with Regulation 24(1) of the SEBI LODR Regulations, CA Rajesh Jain (one of the then independent directors of the Company) acted as an independent director on the Board of PBPL until June 30, 2026. Effective from July 01, 2026, Mr. Krishan Kumar Jalan, independent director of the Company, was appointed to the Board of PBPL as independent director in place of CA Rajesh Jain.

The Audit Committee of the Company reviewed the financial statements, in particular the investments made by all its Indian subsidiary companies.

The minutes of Board meetings of Indian subsidiary companies are placed at the Board Meeting of the Company and the significant transactions or arrangements entered into by the unlisted subsidiary companies are periodically informed to the Board.

- g) **Disclosure of Accounting Treatment:** The Company has prepared the financial statements for the year under review, in compliance with the Indian Accounting Standards ('Ind- AS') notified by the Ministry of Corporate Affairs. The Significant Accounting Policies applied in preparation of the financial statements as per Ind-AS have been set out in the Notes to the Financial Statements.
- h) **Risk Management:** The Company has a procedure to inform the Board about the risk assessment and minimization procedures. The Company has formulated a Risk Management Policy and also constituted Risk Management Committee. The Board of Directors / management periodically reviews the risk management framework of the Company and comes out with strategic risk mitigation measures.
- i) **Fees paid to the Statutory Auditors:** Total fees for all the services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditors and other firms in the network entity of which the statutory auditors are a part, during the financial year 2025-26, was ₹6.16 million.
- j) **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. The details of sexual harassment complaint received and disposed-off during period under review are as follows:

No. of complaints filed during the financial year	No. of complaints disposed off during the financial year	No. of complaints pending as on the end of financial year
1	1	Nil

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- k) Loans and advances to firms / companies in which directors are interested: The details of loans and advances to firms / companies in which directors of the Company are interested have been disclosed in Notes to the Financial Statements forming part of the Annual Report.
- l) Material Subsidiary: As on March 31, 2026, and as well as on the date of this report, PBPL was the only material subsidiary of the Company. PBPL was incorporated on March 22, 2019, and having its registered office at Sampann Block, Ambala-Chandigarh Highway, Village Samalheri, Lalru - 140501, Mohali, Punjab, India.
- m) Agreement on compensation of profit sharing in connection with dealings in securities of the Company: During the financial year under review, no employee including Key Managerial Personnel or Director or Promoter of the Company has entered into any agreement, either for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in securities of the Company.
- n) Disclosure by Senior Management Personnel: The senior management of your Company have made disclosures to the Board confirming that there are no material, financial and commercial transactions where they have personal interest that may have a potential conflict of interest with the Company at large.
- o) Information disclosed under clause 5A of paragraph A of Part A of Schedule III of SEBI LODR Regulations: As per the information available with the Company, as at March 31, 2026, there were no agreements which have been entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its subsidiary or associate 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 was to, impact the management or control of the Company or impose any restriction or create any liability upon the Company with respect thereto.

10. Compliance with mandatory requirements and adoption of non-mandatory requirements

- a) Mandatory requirements: The Company has complied with all the mandatory requirements of the SEBI LODR Regulations with regard to corporate governance. M/s R&D Company Secretaries, Secretarial Auditors of the Company, have certified that the Company has complied with the mandatory requirements of corporate governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D & E of Schedule V of the SEBI LODR Regulations for the financial year ended March 31, 2026. The said certificate is annexed to this Report as **Annexure-IV**.

- b) Non-mandatory requirements: The status on compliance with the non-mandatory recommendations / discretionary requirements as specified in Part E of Schedule II to the SEBI LODR Regulations is as under:

- i) Shareholders' rights: The quarterly / half-yearly / annual financial results, after they are approved by the Board of Directors, are uploaded electronically on the website of NSE & BSE via NEAPS Portal and BSE Listing Centre respectively, published in the newspapers as mentioned under the heading "Means of Communication" at Sl. No. 7 above and also displayed on the Company's website viz. <https://www.panaceabiotec.com>. The results are not separately circulated to the shareholders.
- ii) Modified opinion(s) in audit report: During the financial year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure in the regime of unmodified audit opinion on financial statements.
- iii) Reporting of Internal Auditors: The Internal Auditors of the Company report directly to the Audit Committee.
- iv) Prohibition of Insider Trading: The Company has instituted a comprehensive Code of Conduct for prevention of Insider Trading ("Code"), which prohibits the Directors, Members of Management Committee and other Designated Persons (collectively called as "Designated Employees") from dealing in the securities of the Company on the basis of Unpublished Price Sensitive Information ("UPSI"), available to them by virtue of their position in the Company. The object of the Code is to prevent misuse of UPSI and prohibit insider trading activity, in order to protect the interests of the shareholders at large. The Code lays down guidelines, which advise Designated Employees on procedures to be followed and disclosures to be made while dealing with the Shares of the Company.

The Company has put in place a mechanism for monitoring the trades done by Designated Employees as well as generation of system-based disclosures in line with the Company's Code of Conduct for Prevention of Insider Trading. The details of dealing, if any, in Company's shares by such employees in violation of the said Code of Conduct, are placed before the Audit Committee and the Board for information on event basis. This Code also prescribes sanction framework and any instance of breach of the Code is dealt with in accordance with the said sanction framework. The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the Code. A copy of the Code is made available to all the employees of the Company and compliance of the same is ensured. The Code is available on the website of the Company at <https://www.panaceabiotec.com/en/section/information-repository/policy>.

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11. Disclosure of the compliance with corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI LODR Regulations:

Sl. No.	Regulation No.	Particulars	Compliance Status (Yes or No)
1.	17	Board of Directors	Yes
2.	18	Audit Committee	Yes
3.	19	Nomination and Remuneration Committee	Yes
4.	20	Stakeholders' Relationship Committee	Yes
5.	21	Risk Management Committee	Yes
6.	22	Vigil Mechanism	Yes
7.	23	Related Party Transactions	Yes
8.	24	Corporate Governance requirements with respect to subsidiaries	Yes
9.	25	Obligations with respect to Independent Directors	Yes
10.	26	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	Yes
11.	27	Other Corporate Governance requirements	Yes
12.	46(2)(b) to (i)	Website	Yes

12. CEO / CFO Certification

As required under Regulation 17(8) read with Part B of Schedule II of the SEBI LODR Regulations, the Chairman and Managing Director and Chief Financial Officer of the Company have certified to the Board that the Financial Statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards. The said certificate of the Financial Statements, internal control and the Cash Flow Statement for the financial year 2025-26 is annexed as **Annexure - II** and forms part of this Report. The Chairman and Managing Director and Chief Financial Officer also give quarterly certificate on the financial results while placing the same before the Board in terms of the Regulation 33(2) of the SEBI LODR Regulations.

For and on behalf of the Board of
Panacea Biotec Limited

Place : New Delhi
Date : August 13, 2026

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director

Annexure to the Report on Corporate Governance

Annexure - I

DECLARATION ON CODE OF CONDUCT

To
The Members of Panacea Biotec Limited

I hereby declare that all the Board Members and the Senior Management Personnel of the Company have affirmed the compliance with the provisions of the Code of Conduct for the financial year ended March 31, 2026.

For and on behalf of the Board of
Panacea Biotec Limited

Place : New Delhi
Date : May 30, 2026

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director

Annexure - II

Certificate from Chairman and Managing Director and Chief Financial Officer

[Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Board of Directors,
Panacea Biotec Limited

We do hereby confirm and certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2026 and that, to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) there has not been any instance, during the year, of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Panacea Biotec Limited

Place : New Delhi
Date : May 30, 2026

Sd/-
Vinod Goel
Group CFO and Head Legal &
Corporate Governance

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director

Annexure to the Report on Corporate Governance

Annexure - III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members of Panacea Biotec Limited
Ambala-Chandigarh Highway, Lalru-140501, Punjab

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Panacea Biotec Limited, a Company having CIN L33117PB1984PLC022350 and having registered office at Ambala-Chandigarh Highway, Lalru-140501, Punjab (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 Part-C, Clause 10(i) of the Securities and 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 its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2026, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Dr. Rajesh Jain	00013053	15.11.1984
2.	Mr. Sandeep Jain	00012973	15.11.1984
3.	Mr. Ankesh Jain	03556647	01.04.2016
4.	Mr. Harshet Jain	08732974	14.02.2025
5.	Dr. Sanjay Trehan	10936402	14.02.2025
6.	Mr. Mukul Gupta*	00254597	01.04.2016
7.	Mrs. Ambika Sharma	08201798	14.02.2024
8.	CA Rajesh Jain	10619014	13.11.2024
9.	Dr. Rajender Pal Singh	10198810	14.02.2025
10.	Mr. Krishan Kumar Jalan	01767702	14.02.2025
11.	Dr. Venkatesh Sarvasiddhi	09326552	14.02.2025

* Ceased to be the director on 31.03.2026 due to completion of tenure

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.

For R&D Company Secretaries

Sd/-

Debabrata Deb Nath
Partner

Membership No.-FCS: 7775

C.P No.: 8612

UDIN: F007775H001035681

Peer Review Certificate no. 8258/2026
Unique Identification No. P2005DE011200

Place : Delhi

Date : August 06, 2026

Annexure to the Report on Corporate Governance

Annexure - IV

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Panacea Biotec Limited

We have examined the compliance of conditions of Corporate Governance by Panacea Biotec Limited, for the year ended on 31st March, 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 SEBI LODR Regulations during the year ended on 31st March, 2026.

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.

For R&D Company Secretaries

Sd/-

Debabrata Deb Nath

Partner

FCS No.: 7775; CP No. : 8612

UDIN: F007775H001035175

Peer Review Certificate no. 8258/2026

Unique Identification No. P2005DE011200

Place : Delhi

Date : August 06, 2026

Independent Auditor's Report on the Standalone Financial Statements

To the Members of Panacea Biotech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Panacea Biotech Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2026, the standalone statement of profit and loss (including the statement of other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information (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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its loss (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 Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 48 of the standalone financial statements, which states that the Company has incurred losses (including other comprehensive income) amounting to ₹287.60 million for the year ended March 31, 2026, and the retained earnings are negative to the extent of ₹2,178.43 million as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Management of the Company has prepared the standalone financial statements on a going concern basis based on their assessment of the future projections and confirmed orders in hand.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
A. Revenue recognition Refer note 1.3(j) and note 26 of notes to the standalone financial statements and other explanatory information of the Company for the year ended March 31, 2026. The Company recognises revenue from the sales of products when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered with customers. The Company has a large number of customers operating in various geographies and the sales contracts / arrangements with various customers have distinct commercial terms including Incoterms that determine the timing of transfer of control and it requires significant judgment in determining timing of revenue recognition as per Ind AS 115 - Revenue from Contracts with Customers. We have identified the recognition of revenue from sale of products as a key audit matter because revenue is a key performance indicator for the Company and there is risk of revenue being overstated due to the pressure to achieve targets or earning expectations.	Our audit procedures to address this key audit matter included, but were not limited to the following: a) Obtained an understanding of the Company's process of revenue recognition and read customer contracts on sample basis; b) Evaluated the design, tested the operating effectiveness of the Company's internal controls over recognition and measurement of revenue in accordance with underlying customer contracts and accounting policies; c) Performed substantive testing (including year-end cut off testing) by selecting samples of revenue transactions recorded during and after the year and verified the underlying documents, which included sales invoices / contracts and dispatch / shipping documents; d) Obtained direct balance confirmations from customers on a sample basis as at the year-end or performed alternate audit procedures where such confirmations could not be obtained; and e) Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements of the Company in accordance with Ind AS 115.

Independent Auditor's Report on the Standalone Financial Statements

Key audit matter	How our audit addressed the key audit matter
B. Assessment of impairment of Property, plant and equipment The Company considers its property, plant and equipment (PPE) as a single cash generating unit (CGU). As at March 31, 2026, the carrying value of Company's PPE aggregates to ₹4,158.66 million. These balances have been subject to a test of impairment by the management in accordance with Ind AS 36 "Impairment of Assets" (Ind AS 36) in the current year as the management have identified impairment indicators as explained in note 2.1(iv) to the accompanying standalone financial statements. Refer note 1.3(f) and 2.1(iv) to the accompanying standalone financial statements. The Company has engaged independent third-party valuer to arrive at the value in use of the CGU as per discounted cash flow method and to arrive at the fair value based on market approach method. Based on the report issued by such valuer, the recoverable value of the CGU being higher than its carrying value, the Company has concluded that no impairment provision needs to be recorded in the standalone financial statements as at March 31, 2026. In addition to significance of the amounts, management's assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the recoverable amounts involved in forecasting cash flows for the CGU, principally relating to budgeted revenue, operating margins, short-term and long term growth rates and the discount rates used. Considering the materiality of the amounts involved, significant judgment and high estimation uncertainty in determining the recoverable value of such PPE and such estimates and judgements being inherently subjective, this matter is determined as a key audit matter for the current year audit.	Our audit procedures to address this key audit matter included, but were not limited to the following: a) Obtained an understanding of the management's process for identification of impairment indicators for Property, plant and equipment and process for identification of CGU and impairment testing of such assets; b) Evaluated the Company's accounting policy in respect of impairment assessment, and the methods and models used to determine the recoverable amounts of property, plant and equipment in accordance with the requirements of Ind AS 36, c) Tested the design and operating effectiveness of internal controls over such identification and impairment measurement of identified assets; d) Evaluated management's identification of CGU and obtained the impairment assessment workings prepared by the management and its experts for such CGU; e) Involved auditor's experts to assess the appropriateness of the valuation methodologies used by the management and its expert to determine the recoverable values; f) Evaluated the objectivity, competence and independence of the experts engaged by the Company, wherever applicable, and examined the valuation reports issued by such experts; g) Reconciled the cash flows to the business plans approved by the Board of Directors of the Company which constitute identified CGU; h) Evaluated and challenged the reasonableness of key inputs and assumptions such as implied budgeted revenue, operating margins, growth rates and discount rates for their appropriateness based on our understanding of the business of the respective CGU, past results and external factors such as industry trends and forecasts. i) Obtained and evaluated sensitivity analysis performed by the management on the key assumptions and performed independent sensitivity analysis of the key assumptions to assess the effect of reasonably possible variations on the estimated recoverable amounts for the CGU to evaluate sufficiency of headroom between recoverable values and carrying amounts. j) Compared the carrying value of the net assets with the estimated recoverable value to calculate the impairment loss to be recognised, if any; and k) Evaluated the adequacy of disclosures given in the standalone financial statements with respect to Property, plant, and equipment, including disclosure of significant assumptions, judgements and sensitivity analysis performed, in accordance with applicable accounting standards.
C. Contingencies, including litigations Refer note 1.3(s) and note 37 to the standalone financial statements. The Company is involved in disputes, lawsuits, claims, Governmental and / or regulatory inspections, inquiries, investigations and proceedings, including patent and commercial matters that arise from time to time in the ordinary course of business. The Company assesses the need to make provision or to disclose contingent liability on a case-to-case basis considering the underlying facts of each litigation. The eventual outcome of the litigations is uncertain and estimation at balance sheet date involves extensive judgement of management including input from legal counsel due to complexity of each litigation. Adverse outcomes could significantly impact on the Company's reported results and balance sheet position. Considering the significant judgement involved in determining the need to make a provision or disclose as contingent liability, the matter is considered as key audit matter.	Our audit procedures to address this key audit matter included, but were not limited to the following: • We evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of litigations, the recording / reassessment of the related liabilities, provisions and disclosures. • Obtained a list of litigations from the Company's in-house legal counsel; identified material litigations from the aforementioned list and performed inquiries with the said counsel; obtained and read the underlying documents to assess the assumptions used by management in arriving at the conclusions. • We also evaluated the Company's analysis of its assessment of the probability of outcome for each material contingency through inspection of responses to inquiry letters sent to external legal counsel, discussions with internal counsel, as well as external legal counsel, as deemed necessary, to confirm our understanding of the allegations and potential outcomes and obtaining written representations from executives of the Company. • Verified the disclosures related to provisions and contingent liabilities in the standalone financial statements to assess consistency with underlying documents.

Independent Auditor's Report on the Standalone Financial Statements

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard as other information as stated above is expected to be made available to us after the date of this Auditor's Report.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's 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 including other comprehensive income, standalone statement of changes in equity and standalone statement of cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

Independent Auditor's Report on the Standalone Financial Statements

- 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, 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 accompanying standalone financial statements.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matter stated in Paragraph (j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. In our opinion, the matter described in "Material uncertainty related to Going concern" section above, may have an adverse effect on the functioning of the Company;
 - f. On the basis of the written representations received from the directors as on March 31, 2026 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to the adequacy of the internal financial controls with reference to these standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report wherein we have expressed an unmodified opinion.
 - h. In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid/ provided by the Company to its directors in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act;
 - i. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 37 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 as at March 31, 2026.
 - iii. There were 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.

Independent Auditor's Report on the Standalone Financial Statements

- iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in note 52 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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;
- (b) The Management has represented, that, to the best of its knowledge and belief as disclosed in note 52 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;

Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year.
- vi. As stated in Note 56 to the standalone financial statements and based on our examination which included test checks performed by us, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except the audit trail feature was not enabled at the database level for an accounting software to log any direct data changes, used for maintenance of all accounting records of the Company.

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, to the extent maintained in the prior years, has been preserved by the Company in accordance with statutory record retention requirements to the extent it was enabled and recorded in those respective years.

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Registration No. 121750W/W100010

Sd/-
Kapil Kedar
Partner

Membership No. 094902
UDIN: 26094902TFXUIY7788

Place: New Delhi
Date : May 30, 2026

Annexure to the Auditor's Report

Annexure A to Independent Auditor's Report

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work-In-Progress ('CWIP'), investment property and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
 - (c) The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 52(xii) to the standalone financial statements, are held in the name of the Company.
 - (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
 - (e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
 - (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any guarantee or security or granted any advances in the nature of loans to companies, firms, or limited liability partnerships during the year.

- a. The Company has provided loans to the companies and employees during the year as per details given below

Particulars	Loans (₹ in million)
Aggregate amount granted/ provided during the year:	
- Subsidiaries [#]	66.75
- Employees	13.89
Balance outstanding as at March 31, 2026, in respect of above:	
- Subsidiaries *	-
- Employees	145.14

[#] Interest accrued for the F.Y 24-25 amounting to ₹66.75 million has been added to opening loan balance as at April 01, 2025. (Refer note 5 to the standalone financial statements)

* The company has made loss allowances of ₹674.99 million. (Refer note 49(a) to the standalone financial statements)

- b. The terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the company.
- c. In respect of loans granted by the Company, the repayment of principal and payment of interest has been stipulated, and the repayments or receipts have not been due in current year. Further, the Company has not given any advance in the nature of loan to any parties during the year.
- d. There is no overdue amount remaining outstanding as at the balance sheet date.

Independent Auditor's Report

- e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans that existed as at the beginning of the year.
- f) The Company has not granted any loans which are repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans granted and investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) Pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to its products, we have broadly reviewed the cost records maintained by the company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we have not made a detailed examination for the same.
- (vii) In respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed statutory dues including income-tax, goods and services tax, provident fund, employees' state insurance, duty of custom, cess and other material statutory dues as applicable to the appropriate authorities during the year. According to the information and explanations given to us and based on audit procedure performed by us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at the year end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in million)	Amount paid under Protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	33.69	-	Assessment Year 2016-17	High Court of Delhi
Income Tax Act, 1961	Income-tax	55.53	-	Assessment Year 2017-18	CIT(A)
Income Tax Act, 1961	Income-tax	31.12	-	Assessment Year 2020-21	CIT(A)
Income Tax Act, 1961	Income-tax	7.24	-	Assessment Year 2021-22	CIT(A)
Income Tax Act, 1961	Income-tax	0.86	-	Assessment Year 2018-19	High Court of Delhi
Income Tax Act, 1961	Income-tax	91.63	-	Assessment Year 2020-21	High Court of Delhi
Income Tax Act, 1961	Income-tax	99.52	-	Assessment Year 2005-06	ITAT
Central Excise Act, 1944	Disallowance of input tax credit	12.90	-	Financial year 2006-07 to 2010-11	Supreme Court of India
Central Excise Act, 1944	Disallowance of input tax credit	1.20	-	Financial year 2011-12	Commissioner of central excise, Chandigarh-II
Central Excise Act, 1944	Rebate claim	3.45	-	Financial year 2007-08	High Court of Delhi
Finance Act, 1994	Service Tax	70.60	-	Financial Year 2009-10 to 2012-13	High Court of Delhi
Goods & Services Tax Act, 2017	Excess Credit Claimed	0.33	-	Financial year 2020-21	Additional Commissioner (Appeal)
Goods & Services Tax Act, 2017	Excess Credit Claimed	1.75	-	Financial year 2017-18 to 2021-22	Appellate Authority, Kochi
Goods & Services Tax Act, 2017	Short payment of GST	0.51	-	Financial year 2021-22	Appellate Authority, Tamil Nadu
Goods & Services Tax Act, 2017	Demand on corporate Guarantee	228.81	-	Financial year 2019-20 to 2021-22	High Court of Punjab & Haryana
Goods & Services Tax Act, 2017	Penalty on Transfer of leasehold land and building	101.76	31.42	Financial year 2022-23	Bombay High Court
	Total	740.90	31.42		

Annexure to the Auditor's Report

(viii) According to the information and explanation given to us and the records of the company examined by us, there were no transactions relating to previously unrecorded income in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year except for the following:

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date (₹ in million)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Loan from related party (promoter)	Dr. Rajesh Jain	3.03	Interest payment for the quarter ended on June 30, 2025	214	Payment made on 30-01-2026
Loan from related party (promoter)	Dr. Rajesh Jain	3.12	Interest payment for the quarter ended on September 30, 2025	122	Payment made on 30-01-2026
Loan from related party (promoter)	Dr. Rajesh Jain	3.13	Interest payment for the quarter ended on December 31, 2025	30	Payment made on 30-01-2026
Loan from related party (promoter)	Dr. Rajesh Jain	1.65	Interest payment for the quarter ended on March 31, 2026	6	Payment made on 06-04-2026
Total		10.93			

(b) According to the information and explanations given to us including and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the company has not obtained any term loans during the year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanation given to us and procedures performed by us, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, the requirement to report under clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures and hence, the requirement to report under clause 3(x)(b) of the Order is not applicable to the Company..

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Ind AS 24 'Related Party Disclosures'.

Annexure to the Auditor's Report

- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any core investment company (CIC).
- (xvii) The Company has incurred cash losses in the current financial year amounting to ₹97.86 million and has not incurred cash losses in the immediately preceding financial year.
- (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 disclosed in note 53 of the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying in the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, in our opinion, a material uncertainty exists as on the date of the audit report indicating that the Company may not be 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. Further, refer "Material Uncertainty related to Going Concern" in our audit report.
- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-Section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Registration No. 121750W/W100010

Sd/-
Kapil Kedar
Partner

Membership No. 094902
UDIN: 26094902TFXUIY7788

Place: New Delhi
Date : May 30, 2026

Annexure B to Independent Auditor's Report

(Referred to in paragraph 1 (f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ('the Act')

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

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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.

Annexure to the Auditor's Report

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to 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.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place: New Delhi
Date : May 30, 2026

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Registration No. 121750W/W100010

Sd/-
Kapil Kedar
Partner
Membership No. 094902
UDIN: 26094902TFXUIY7788

Standalone Balance Sheet as at March 31, 2026

(₹ in million)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
a) Property, plant and equipment	2.1	3,473.92	3,474.97
b) Capital work-in-progress	2.2	913.50	874.05
c) Investment property	2.3	684.74	682.28
d) Intangible assets	2.4	15.34	5.68
e) Intangible assets under development	2.5	399.77	316.36
f) Financial assets			
(i) Investments	3	2.70	2.70
(ii) Loans	4	-	-
(iii) Other financial assets	5	68.36	22.99
g) Income tax assets (net)	6	117.53	58.56
h) Other non-current assets	7	3.21	6.85
Total non-current assets		<u>5,679.07</u>	<u>5,444.44</u>
Current assets			
a) Inventories	8	1,263.36	1,520.96
b) Financial assets			
(i) Trade receivables	9	306.79	208.48
(ii) Cash and cash equivalents	10	24.15	385.04
(iii) Bank balances other than cash and cash equivalents	11	57.08	236.61
(iv) Loans	12	14.52	17.75
(v) Other financial assets	13	523.63	163.95
c) Other current assets	14	655.38	717.45
Total current assets		<u>2,844.91</u>	<u>3,250.24</u>
Total assets		<u>8,523.98</u>	<u>8,694.68</u>
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	15	61.25	61.25
b) Other equity	16	2,790.83	3,078.43
Total equity		<u>2,852.08</u>	<u>3,139.68</u>
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	17	2,459.39	1,605.09
(ii) Other financial liabilities	18	139.20	96.55
b) Provisions	19	201.38	199.53
c) Deferred tax liability (net)	20	19.85	139.80
Total non-current liabilities		<u>2,819.82</u>	<u>2,040.97</u>
Current liabilities			
a) Financial liabilities			
(i) Borrowings	21	191.78	679.42
(ii) Trade payables	22		
- Total outstanding dues of micro enterprises and small enterprises		145.34	95.54
- Total outstanding dues of creditors other than micro and small enterprises		1,189.16	1,552.76
(iii) Other financial liabilities	23	139.10	92.35
b) Other current liabilities	24	864.31	784.67
c) Provisions	25	322.39	309.29
Total current liabilities		<u>2,852.08</u>	<u>3,514.03</u>
Total equity and liabilities		<u>8,523.98</u>	<u>8,694.68</u>

The accompanying notes form an integral part of these standalone financial statements.

As per report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Sd/-
Kapil Kedar
Partner
Membership No. 094902

For and on behalf of Board of Directors of Panacea Biotec Limited

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director
(DIN 00013053)

Sd/-
Sandeep Jain
Joint Managing Director
(DIN 00012973)

Sd/-
Vinod Goel
Group CFO and Head Legal &
Corporate Governance

Sd/-
Amit Gupta
General Manager
Accounts & Taxation

Sd/-
Ankit Jain
General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

Standalone Statement of Profit and Loss for the year ended March 31, 2026

(₹ in million)			
Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	26	4,134.92	3,098.55
Other income	27	180.03	166.18
Total income		4,314.95	3,264.73
Expenses			
Cost of materials consumed	28	2,194.95	1,240.11
Purchases of traded goods	29	40.10	17.52
Changes in inventories of finished goods, traded goods and work-in-progress	30	(124.21)	(230.56)
Employee benefits expense	31	1,003.32	970.18
Finance costs	32	253.05	154.59
Depreciation and amortisation expense	33	187.45	202.85
Other expenses	34	1,199.08	1,170.61
Total expenses		4,753.74	3,525.30
Profit / (Loss) before exceptional items and tax		(438.79)	(260.57)
Exceptional items		-	-
Profit / (Loss) before tax		(438.79)	(260.57)
Tax expense	35		
Current tax		(15.90)	-
Deferred tax		(123.81)	(108.30)
Total tax expense		(139.71)	(108.30)
Profit / (Loss) for the year		(299.08)	(152.27)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit plans		15.34	0.71
Income tax effect on above		(3.86)	(0.18)
Other comprehensive income / (loss)		11.48	0.53
Total comprehensive income / (loss) for the year		(287.60)	(151.74)
Earning / (Loss) per equity share - basic and diluted (face value of ₹1 each) (in ₹)	36	(4.88)	(2.49)

The accompanying notes form an integral part of these standalone financial statements.

As per report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Sd/-
Kapil Kedar
Partner
Membership No. 094902

For and on behalf of Board of Directors of Panacea Biotec Limited

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director
(DIN 00013053)

Sd/-
Sandeep Jain
Joint Managing Director
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Vinod Goel
Group CFO and Head Legal &
Corporate Governance

Sd/-
Amit Gupta
General Manager
Accounts & Taxation

Sd/-
Ankit Jain
General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

Standalone Statement of Cash Flow for the year ended March 31, 2026

(₹ in million)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities			
Profit / (Loss) before tax		(438.79)	(260.57)
Adjustments for:			
Depreciation and amortisation expense	33	187.45	202.85
Unrealized foreign exchange (gain) / loss (net)		64.17	12.67
Loss / (gain) on sale / disposal of property, plant and equipment and intangible assets (net)	27	-	(0.63)
Excess provisions and other balances written back	27	(17.54)	(13.46)
Dividend income	27	-	(0.04)
Allowance for expected credit loss and doubtful advances	34	93.38	69.81
Tangible assets under development provided / written off	34	-	13.40
Bad Debts and advances written off	34	-	0.35
Interest income	27	(111.95)	(94.87)
Lease rent income	27	(48.54)	(45.42)
Finance costs	32	253.05	154.59
Operating profit / (loss) before working capital changes		(18.77)	38.68
Adjustment for working capital changes:			
Inventories		257.60	(441.67)
Trade receivables		(100.16)	(100.42)
Other financial assets		(294.11)	(1.56)
Loans and other assets		69.41	39.63
Provisions and other liabilities		(272.64)	515.81
Cash generated from / (used in) operating activities		(358.67)	50.47
Income tax (paid)		(43.06)	(11.06)
Net cash generated from / (used in) operating activities (A)		(401.73)	39.41
B. Cash flow from investing activities			
Payment for property, plant and equipment and intangible assets		(337.29)	(529.66)
(including Capital work in progress, intangible under development and capital advances) (net)			
Advance received against / proceeds from sale of property, plant and equipment		-	1.39
Interest received		34.86	28.11
Dividend income		-	0.04
Lease rent income		48.54	45.42
Investments in bank deposits having original maturity of more than three months		(738.85)	(515.59)
Redemption of bank deposits having original maturity of more than three months		807.46	364.26
Net cash generated from / (used in) investing activities (B)		(185.28)	(606.03)
C. Cash flow from financing activities			
Proceeds from non-current borrowings		747.74	393.29
Proceeds from grants		33.67	-
Repayment of non-current borrowings		-	(145.00)
Proceeds from current borrowings		1,322.40	(679.42)
Repayment of current borrowings		(1,827.50)	-
Interest paid		(50.88)	(26.97)
Net cash generated from / (used in) financing activities (C)		225.43	900.74
Net Increase / (decrease) in cash and cash equivalents during the year (A+B+C)		(361.58)	334.12
Cash and cash equivalents at the beginning of the year		385.04	50.92
Effect of exchange difference on translation of foreign currency		0.69	-
Cash and cash equivalents at the end of the year (refer note 10)		24.15	385.04
Cash and cash equivalents			
Balances with banks			
- in current accounts		23.44	73.58
- in exchange earners' foreign currency accounts		0.41	1.74
Cash on hand		0.30	0.32
Deposits with original maturity upto 3 months		-	309.40
Total		24.15	385.04

Note: The Standalone Cash Flow Statement has been prepared in accordance with 'Indirect Method' as set out in the Ind AS - 7 on 'Statement of Cash Flows' as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

The accompanying notes form an integral part of these standalone financial statements.

As per report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Sd/-
Kapil Kedar
Partner
Membership No. 094902

For and on behalf of Board of Directors of Panacea Biotec Limited

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director
(DIN 00013053)

Sd/-
Sandeep Jain
Joint Managing Director
(DIN 00012973)

Sd/-
Vinod Goel
Group CFO and Head Legal &
Corporate Governance

Sd/-
Amit Gupta
General Manager
Accounts & Taxation

Sd/-
Ankit Jain
General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

Standalone Statement of Change in Equity for the year ended March 31, 2026

A. Equity share capital

(₹ in million)	
Particulars	Amount
Balance as at April 1, 2024	61.25
Changes during the year	-
Balance as at March 31, 2025	61.25
Change during the year	-
Closing balance as at March 31, 2026	61.25

Note: Refer note 15 for share capital details.

B. Other equity

(₹ in million)							
Particulars	Equity component of compound financial instruments	Reserves and surplus					Total Other Equity
		Securities premium reserve	Capital redemption reserve	General reserve	Capital Reserve	Retained earnings	
Balance as at April 1, 2024	216.54	897.05	1,022.34	684.99	2,148.34	(1,739.09)	3,230.17
Profit / (Loss) for the year	-	-	-	-	-	(152.27)	(152.27)
Other comprehensive income / (loss) for the year (net of taxes)	-	-	-	-	-	0.53	0.53
Total comprehensive income / (loss) for the year	-	-	-	-	-	(151.74)	(151.74)
Balance as at March 31, 2025	216.54	897.05	1,022.34	684.99	2,148.34	(1,890.83)	3,078.43
Balance as at April 1, 2025	216.54	897.05	1,022.34	684.99	2,148.34	(1,890.83)	3,078.43
Profit / (Loss) for the year	-	-	-	-	-	(299.08)	(299.08)
Other comprehensive income / (loss) for the year (net of taxes)	-	-	-	-	-	11.48	11.48
Total comprehensive income / (loss) for the year	-	-	-	-	-	(287.60)	(287.60)
Balance as at March 31, 2026	216.54	897.05	1,022.34	684.99	2,148.34	(2,178.43)	2,790.83

Note: Refer note 16 for other equity details.

The accompanying notes form an integral part of these standalone financial statements.

As per report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Sd/-
Kapil Kedar
Partner
Membership No. 094902

For and on behalf of Board of Directors of Panacea Biotec Limited

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director
(DIN 00013053)

Sd/-
Sandeep Jain
Joint Managing Director
(DIN 00012973)

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Corporate Governance

Sd/-
Amit Gupta
General Manager
Accounts & Taxation

Sd/-
Ankit Jain
General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

Notes to the Standalone Financial Statements for the year ended March 31, 2026

Summary of Material Accounting Policies

1. Company information

Panacea Biotec Limited (Corporate identification number: L33117PB1984PLC022350) ('PBL' or the 'Company') is a public company incorporated and domiciled in India. The Company has its registered office at Ambala-Chandigarh Highway, Lalru-140501, Punjab, India. The Company has been incorporated under the provisions of Indian Companies Act, 1956 and is existing under the provisions of Indian Companies Act, 2013. Equity shares are listed with BSE Limited and National Stock Exchange of India Limited.

Company overview

The Company is one of India's leading research-based biotechnology companies engaged in the business of research, development, manufacture and marketing of vaccines in India and international markets. The Company's wholly owned subsidiary company viz. Panacea Biotec Pharma Ltd. is engaged in the business of research, development, manufacture and marketing of branded pharmaceutical formulations and nutritional products in India and international markets.

1.1 Basis of preparation

a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and under relevant provisions of the Act as amended from time to time.

These standalone financial statements have been prepared for the Company on the going concern basis in accordance with accounting principles generally accepted in India and on the basis of relevant Ind AS that are effective on a reporting date i.e. March 31, 2026. These standalone financial statements were approved by the board of Directors of the Company on May 30, 2026.

b. Basis of measurement

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

1.2 Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions 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 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 financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed in note 1.4.

1.3 Material accounting policies

The material accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the standalone financial statements.

a. Current versus non-current classification

The Company has considered an operating cycle of 12 months for determining current and non-current classification of assets and liabilities in the balance sheet. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b. Inventories

Inventories are valued as follows:

Raw material, components, stores and spares: Raw materials (including packing materials), stores and spares are valued at lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress and finished goods: Work in progress and finished goods are valued at lower of cost or net realisable value.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Traded goods: Traded goods are valued at lower of cost or net realisable value. Cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Provision for expired / slow-moving / non-moving inventories: The provision for inventories are created as follows:

Category	Description	Provision %
Expired Inventory	This includes all items of inventories where the shelf life thereof has expired as on the reporting date.	100%
Near Expiry Inventory	This includes all items of inventories which are nearing expiry within: 1 to 3 months from the reporting date 4 to 6 months from the reporting date	100% 50%
Inventory having no commercial value	This includes all items of inventories which have no commercial value, or which cannot be commercialized for any reason e.g. stability samples, control samples, development / exhibit batches, Reference listed drugs purchased for trials but remained unutilised etc.	100%
Slow moving / Non-moving inventory	This includes all items of inventories where the movement is slow or there is no movement, however inventory items can be used in case of any need e.g. spares kept for machines, production or lab consumables with long shelf life etc. as under: - Inventories lying in stock for more than 1 year but less than 2 years from the reporting date - Inventories lying in stock for more than 2 years but less than 3 years from the reporting date - Inventories lying in stock for more than 3 years	25% 50% 100%
Good inventory	All other items of inventory which do not fall in any of the above categories will be considered as Good inventory	0%

Following are the exceptions:

- Provision in respect of any inventory item that is the subject matter of any legal dispute shall be created based on the legal opinion from the legal department.
- All exceptions will have to be approved by the Chief Financial Officer of the Company.
- In case of inventory items on which provisions were made as per the policy however such items were subsequently consumed / utilised, then the provision made in respect of such an inventory shall be adjusted suitably.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

c. Property, plant and equipment

Recognition and initial measurement: All items of property, plant and equipment are initially measured at cost. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under non-current assets.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

Subsequent measurement (depreciation and useful lives): Depreciation on property, plant and equipment is provided on the straight-line method arrived on the basis of the useful life prescribed under Schedule II of the Act. The following useful life of assets has been determined by the Company:

Particulars	Useful life
Building – Factory	30 years
Building – Non-factory	60 years
Plant and Equipment	15 years and 20 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computer equipment	3 years and 6 years

- i) Freehold land has an unlimited useful life and therefore is not depreciated.
- ii) Leasehold land is amortised over the period of lease.
- iii) Leasehold improvements are amortised over the initial period of lease or useful life, whichever is shorter.

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

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition: An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

d. Intangible assets

Recognition and initial measurement

Research and development costs : Expenditure on the research phase of projects is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Company can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- the management's intention is to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Development costs not meeting these criteria for capitalisation are expensed as and when incurred.

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs.

Other intangibles: Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets under development are not amortized as these assets are not yet available for use. These assets are evaluated for potential impairment on an annual basis or when there are indications that the carrying value is not recoverable.

Subsequent measurement (Amortisation and useful lives): All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Notes to the Standalone Financial Statements for the year ended March 31, 2026

Particulars	Useful life
Patents, trademarks and designs	7 years
Product development	5 years
Technical know-how	5 years
Software	5 years
Websites	2 years

The amortization expense on intangible assets with finite life is recognised in the statement of profit and loss under the head depreciation and amortization expense.

De-recognition: Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e. Investment properties

Recognition and initial measurement: Investment properties are properties held to earn long term rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Properties held under leases are classified as investment properties when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Subsequent measurement (depreciation and useful lives): Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the straight-line method over the lease period of the right-of-use assets.

Though, the Company measures investment properties using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model acceptable internationally.

De-recognition: Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

f. Impairment of non-financial assets / Assets classified as held for sale

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax 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. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

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 (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or 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 pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is 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 recognised.

During the current financial year, the Company has considered it appropriate to undertake the impairment assessment based on certain indicators. With reference to the latest business plan, the decline in operating profits is considered temporary. Based on management's impairment assessment, recoverable amount is higher than the carrying amount of property, plant and equipment and hence, no impairment is recognized.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

g. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest, ancillary costs and other costs in connection with the borrowing and also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h. Foreign and presentation currency

The financial statements are presented in Indian Rupees (₹), which is also the Company's functional and presentation currency.

Rounding of amount: All amounts disclosed in the financial statements and notes have been rounded-off to the nearest ₹ million or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than ₹50,000 is presented ₹0.00 million.

Foreign currencies transactions and balances

Initial recognition: Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement: Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.

All other exchange differences are charged to the statement of profit and loss.

i. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
For assets and liabilities that are recognized in the financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

j. Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected

Notes to the Standalone Financial Statements for the year ended March 31, 2026

on behalf of third parties, if any. The Company recognises revenue when it transfers control over a product or service to a customer.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company applies the revenue recognition criteria to each separately identifiable component of the Revenue transaction as set out below:

Sale of goods: Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts. Revenue is disclosed exclusive of goods and services tax.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Company enters into arrangements for the sale of its products in certain markets. Under such arrangements, the Company sells its products at an agreed price mentioned in the arrangement and is also entitled to a profit share which is over and above the agreed price. The profit share is dependent on the ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Revenue in an amount equal to the base supply price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

Dividend income: Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest income: Interest income is recorded on accrual basis using the effective interest rate ("EIR") method.

Royalty income: Royalty is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the terms of the relevant agreement.

Research and license fees income: Research and license fees income is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the term of the relevant agreement.

Export incentives: Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

A provisions for expected sales returns is determined based on the historical percentage of sales return for the same types of goods for which the provision is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the provision for sales return to be accrued. It is very unlikely that actual sales return will exactly match the historical percentage. These estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

k. Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Recognition and initial measurement: Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Notes to the Standalone Financial Statements for the year ended March 31, 2026

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

- ii. Investments in equity instruments of subsidiaries and joint ventures - Investments in equity instruments of subsidiaries and joint ventures are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements. .
- iii. Financial assets at fair value

Investments in equity instruments other than above – Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss ("FVTPL"). For all other equity instruments, the Company makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income ("FVOCI") or fair value through profit or loss FVTPL.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, 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 transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of 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

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of 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 and 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 realize the assets and settle the liabilities simultaneously.

Impairment of financial assets: The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

- l. Investment in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

- m. Post-employment and other employee benefits

Provident fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided Fund. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity: A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the gratuity plan (administered through the Life Insurance Corporation of India), which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables

Notes to the Standalone Financial Statements for the year ended March 31, 2026

that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Actuarial gains / losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absences: Compensated absences, which are expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats compensated absences expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Other short-term benefits: Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

n. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Income taxes

Income tax expense recognized in statement of profit and loss comprises current tax and deferred tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the applicable tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

p. Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all the conditions.

Government grants related to the income are deferred and recognised in statement of profit and loss over the period necessary to match them with the cost that are intended to compensate and presented within other income.

Government grants related to property plant and equipment are included in the non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected life of the related assets and presented within other income.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognised as deferred income at fair value and subsequently are recognised in standalone statement of profit and loss as other income on a systematic basis over the expected useful life of the related asset.

q. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

Identification of segments: In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the Board of Director (Managing Director and Chief Financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs: Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items: Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies: The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. In accordance with Ind AS 108, Operating Segments, the management has disclosed the segment information in the consolidated financial statements of the Group.

r. **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, which are subject to an insignificant risk of changes in value.

s. **Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties associated with the present obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Company does recognise a contingent liability but discloses its existence in the financial statements.

Any amount that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset up to the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognized in the financial statements.

t. **Exceptional Items**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in standalone statement of profit and loss and in the notes forming part of the standalone financial statements.

1.4 Critical management judgments in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Judgments

Research and developments costs: Management monitors progress of internal research and development projects by using a project management system. Significant judgment is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Recognition of deferred tax assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Provisions, contingent liabilities and contingent assets: The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. In view of the uncertainty inherent in such matters, it is difficult to

Notes to the Standalone Financial Statements for the year ended March 31, 2026

predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Impairment of financial assets: At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets: The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Estimates

Useful lives of depreciable / amortisable assets: Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation: Management's estimate of the Defined Benefit Obligations (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

1.5 New and amended standards

The Company has applied the following amendments for the first time for their annual reporting period commencing 1 April 2023:

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's standalone financial statements.

Ind AS 1 – Presentation of Financial Statements: The amendments to Ind AS 1 provide guidance on applying materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Ind AS 12 – Income Taxes: The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. The above amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1.6 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has issued following amendments:

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 April 01, 2026, retrospectively, as outlined below:

- (i) Breach of material covenant for long-term loan arrangement on or before the end of reporting period with the 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 standalone financial statements to not demand payment as a consequence of breach.
- (ii) Classify as non-current liability, if lender agreed by the 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.
- (iii) Disclose information about the timing of settlement to understand the impact of the liability on the standalone financial statements.

The Company does not expect this amendment to have an impact on its operations or standalone financial statements.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

2.1 Property, plant and equipment

(₹ in million)

Particulars	Freehold land	Right of use asset - land	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Computer equipments	Total
Gross carrying value:									
As at April 1, 2024	1,553.45	150.09	1,971.51	3,467.31	118.32	45.29	62.22	89.67	7,457.86
Additions	-	-	8.65	96.73	1.64	11.16	5.46	6.51	130.15
Disposals	9.02	-	(9.00)	(0.10)	-	(10.91)	10.25	2.70	1.96
Transferred to investment property (refer note (ii) below)	-	-	(40.80)	-	-	-	-	-	(40.80)
As at March 31, 2025	1,562.47	150.09	1,930.36	3,563.94	119.96	45.54	77.93	98.88	7,549.17
As at April 1, 2025	1,562.47	150.09	1,930.36	3,563.94	119.96	45.54	77.93	98.88	7,549.17
Additions	-	-	14.02	160.31	3.23	2.31	2.17	2.43	184.47
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
Transferred to investment property (refer note (iii) below)	-	-	(16.99)	-	-	-	-	-	(16.99)
As at March 31, 2026	1,562.47	150.09	1,927.39	3,724.25	123.19	47.85	80.10	101.31	7,716.65
Accumulated depreciation:									
As at April 1, 2024	-	28.19	835.80	2,752.33	111.52	25.09	54.02	78.73	3,885.68
Charge for the year	-	2.44	51.90	126.76	0.20	3.88	2.43	4.09	191.70
Disposals	-	-	3.39	(4.70)	1.12	(10.36)	10.27	2.90	2.62
Transferred to investment property (refer note (ii) below)	-	-	(5.80)	-	-	-	-	-	(5.80)
As at March 31, 2025	-	30.63	885.29	2,874.39	112.84	18.61	66.72	85.72	4,074.20
As at April 1, 2025	-	30.63	885.29	2,874.39	112.84	18.61	66.72	85.72	4,074.20
Charge for the year	-	2.34	49.64	107.05	0.44	4.38	2.91	5.31	172.07
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
Transferred to investment property (refer note (iii) below)	-	-	(3.54)	-	-	-	-	-	(3.54)
As at March 31, 2026	-	32.97	931.39	2,981.44	113.28	22.99	69.63	91.03	4,242.73
Net carrying value:									
As at March 31, 2026	1,562.47	117.12	996.00	742.81	9.91	24.86	10.47	10.28	3,473.92
As at March 31, 2025	1,562.47	119.46	1,045.07	689.55	7.12	26.93	11.21	13.16	3,474.97

Notes :

- Refer note 37(B) for information on contractual commitments related to property, plant and equipment.
- During financial year ended March 31, 2025, the Company has classified its properties amounting ₹35.00 million (Gross value ₹40.80 million and accumulated depreciation ₹5.80 million) as investment property from property plant and equipment, due to change in plan and objective towards utilisation of said properties.
- During financial year ended March 31, 2026, the Company has classified its properties amounting ₹13.45 million (Gross value ₹16.99 million and accumulated depreciation ₹3.54 million) as investment property from property, plant and equipment, due to change in plan and objective towards utilisation of said properties.
- The Company carried out an impairment assessment of the cash-generating unit (CGUs) in terms of Ind AS 36 "Impairment of Assets" using a discounted cash flow model which is based on the net present value of the forecasted earnings of the CGUs with the help of an external valuation specialist. This is calculated using certain assumptions viz. discount rate of 13.78%, terminal year growth rate of 4% and cash flow forecasts for 5 years. The Company has also involved independent, registered valuer to assess the value in use of the CGUs by cash flow approach. These forecasts contain management's best view of the expected performance of the CGU based on the management's knowledge of the market environment, strategic initiatives and future business plans. As per the management's assessment, there is no impairment required to be recognized in the statement of profit and loss account.
- The Company has not revalued its property, plant and equipment during the financial year 2025-26 and 2024-25.
- The Company has adopted cost model for its property, plant and equipment.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

2.2 Capital work-in-progress

(₹ in million)	
Particulars	Amount
As at April 1, 2024	707.95
Additions	204.16
Capitalised	(38.06)
Disposals	-
As at March 31, 2025	874.05
As at April 1, 2025	874.05
Additions	170.88
Capitalised	(131.43)
Disposals	-
As at March 31, 2026	913.50

Notes:

- (i) The capital work-in-progress relates to ongoing projects for construction and installation of property, plant and equipment.
- (ii) Ageing for capital work-in-progress as at March 31, 2026: (₹ in million)
- | Capital work in progress | Amount in capital work in progress for a period of | | | | Total |
|--------------------------|--|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Projects in progress | 141.01 | 113.40 | 611.57 | 47.52 | 913.50 |
| Total | 141.01 | 113.40 | 611.57 | 47.52 | 913.50 |
- (iii) Ageing for capital work-in-progress as at March 31, 2025: (₹ in million)
- | Capital work in progress | Amount in capital work in progress for a period of | | | | Total |
|--------------------------|--|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Projects in progress | 204.16 | 622.37 | 47.52 | - | 874.05 |
| Total | 204.16 | 622.37 | 47.52 | - | 874.05 |
- (iv) Projects in progress as on March 31, 2026 and as on March 31, 2025 have not exceeded the cost and timeline compared to their respective original plans.
- (v) The capital work in progress of projects in progress as on March 31, 2026 will be capitalised upon completion in subsequent years.

2.3 Investment property

(₹ in million)			
Particulars	Freehold land	Building	Total
Gross carrying value:			
As at April 1, 2024	151.00	594.99	745.99
Transferred from property, plant and equipment (refer note 2.1(ii))	-	40.80	40.80
As at March 31, 2025	151.00	635.79	786.79
Transferred from property, plant and equipment (refer note 2.1(iii))	-	16.99	16.99
As at March 31, 2026	151.00	652.78	803.78
Accumulated depreciation:			
As at April 1, 2024	-	88.26	88.26
Transferred from property, plant and equipment (refer note 2.1(ii))	-	5.80	5.80
Charge for the year	-	10.45	10.45
As at March 31, 2025	-	104.51	104.51
Transferred from property, plant and equipment (refer note 2.1(iii))	-	3.54	3.54
Charge for the year	-	10.99	10.99
As at March 31, 2026	-	119.04	119.04
Net carrying value:			
As at March 31, 2026	151.00	533.74	684.74
As at March 31, 2025	151.00	531.28	682.28

Notes to the Standalone Financial Statements for the year ended March 31, 2026

Information regarding income and expenditure of the investment property:

Particulars	(₹ in million)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Rental income derived from investment property (refer note 27)	41.25	16.44
Less: Direct operating expenses	-	-
Profit from investment property before depreciation	41.25	16.44
Less: Depreciation for the year	(10.99)	(10.45)
Profit arising from investment property	30.26	5.99

Fair value of the investment property:

Particulars	(₹ in million)	
	As at March 31, 2026	As at March 31, 2025
Investment property	910.81	682.28

Estimation of fair value: The fair value of investment property was carried out, and was based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair valuation is based on prices in the active market for similar properties. The main input used are quantum, area location and demand.

2.4 Intangible assets

Particulars	(₹ in million)				
	Patents, trademarks and copyrights	Softwares	Websites	Products development	Total
Gross carrying value:					
As at April 1, 2024	67.69	223.84	9.20	510.68	811.41
Additions	-	5.98	-	-	5.98
Disposals	-	-	-	-	-
As at March 31, 2025	67.69	229.82	9.20	510.68	817.39
As at April 1, 2025	67.69	229.82	9.20	510.68	817.39
Additions	0.00	14.05	-	-	14.05
Disposals	-	-	-	-	-
As at March 31, 2026	67.69	243.87	9.20	510.68	831.44
Accumulated amortisation:					
As at April 1, 2024	67.52	223.61	9.20	510.68	811.01
Charge for the year	0.01	0.69	-	-	0.70
As at March 31, 2025	67.53	224.30	9.20	510.68	811.71
As at April 1, 2025	67.53	224.30	9.20	510.68	811.71
Charge for the year	0.03	4.36	-	-	4.39
As at March 31, 2026	67.56	228.66	9.20	510.68	816.10
Net carrying value:					
As at March 31, 2026	0.13	15.21	-	-	15.34
As at March 31, 2025	0.16	5.52	-	-	5.68

Note: The Company has adopted cost model for its intangible assets.

2.5 Intangible assets under development

Particulars	(₹ in million)
	Amount
As at April 1, 2024	257.43
Additions	62.17
Capitalised	(3.24)
As at March 31, 2025	316.36
As at April 1, 2025	316.36
Additions	97.46
Capitalised	(14.05)
As at March 31, 2026	399.77

Notes :

(i) The cost incurred on intangible assets under development relates to products development, patents, technical know-how and softwares.

(ii) Ageing for intangible assets under development as at March 31, 2026:

Capital work in progress	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	
Projects in progress	97.46	58.24	135.49	108.59	399.78
Projects temporarily suspended	-	-	-	-	-
Total	97.46	58.24	135.49	108.59	399.78

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(iii) Ageing for intangible assets under development as at March 31, 2025: (₹ in million)

Capital work in progress	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	
Projects in progress	62.17	140.84	113.35	-	316.36
Projects temporarily suspended	-	-	-	-	-
Total	62.17	140.84	113.35	-	316.36

(iv) Projects in progress as on March 31, 2026 and as on March 31, 2025 have not exceeded the cost and timeline as compared to their respective original plans.

(v) The intangible assets under development of projects in progress as on March 31, 2026 will be capitalised upon completion in subsequent years.

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
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3. Investments (non-current)

Investments in equity instruments (unquoted):

A. In subsidiary companies (at cost unless otherwise stated):

i) Panacea Biotec Pharma Limited 1,000,000 (March 31, 2025: 1,000,000) equity shares of ₹1 each, fully paid up	1.00	1.00
ii) Meyten Realtech Private Limited ("Meyten") 4,876,319 (March 31, 2025: 4,876,319) equity shares of ₹1 each, fully paid up*	0.10	0.10
iii) Adveta Power Private Limited 90,000 (March 31, 2025: 90,000) equity shares of ₹10 each, fully paid up	0.90	0.90
iv) PanEra Biotec Private Limited 419,767 (March 31, 2025: 419,767) equity shares of ₹10 each, fully paid	4.20	4.20
v) Panacea Biotec (International) S.A., Switzerland (refer note 49(a)) 6,000 (March 31, 2025: 6,000) equity shares of CHF 100 each, fully paid up	34.36	34.36
	40.56	40.56
Less: Provision for impairment in value of investments mentioned at (iv) and (v) above	38.56	38.56
Total (A)	2.00	2.00

* 4,776,319 shares allotted on April 20, 2023 pursuant to composite scheme of arrangement among inter-alia, the Company's erstwhile wholly-owned subsidiary, Radhika Heights Limited and Meyten Realtech Pvt. Limited.

B. Other investments (at fair value through profit and loss)

i) Shivalik Solid Waste Management Limited 20,250 (March 31, 2025: 20,250) equity shares of ₹10 each fully paid up	0.20	0.20
ii) Mohali Green Environment Private Limited 50,000 (March 31, 2025: 50,000) equity shares of ₹10 each fully paid up	0.50	0.50
Total (B)	0.70	0.70
Total investments (A+B)	2.70	2.70
Aggregate amount of unquoted investments	41.26	41.26
Aggregate amount of impairment in value of investments	38.56	38.56

Notes:

- The Company does not have any quoted non-current investments during the current as well as previous year.
- Refer note 43 for disclosure on fair value measurements in respect of financial assets at cost and fair value through profit and loss.

4. Loans (non-current)

(Unsecured, considered doubtful / credit impaired)

Loans to related parties (refer note 41)	597.91	531.15
Less : Loss allowance for doubtful loans / credit impaired (refer note 41)	(597.91)	(531.15)
Total	-	-

Notes:

- Loans to related parties include accrued interest of ₹66.75 million (March 31, 2025: ₹114.95).
- Loans have been granted for business purposes, in line with Circular No. 04/2015 issued by Ministry of Corporate Affairs dated March 10, 2015.
- During the year, the Company has not given any loan to Promoters, Directors and KMPs.
- Refer note 43 and 44 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
5. Other financial assets (non-current)		
(Unsecured, considered good, unless stated otherwise)		
Security deposits	24.16	19.87
Bank deposits (due for maturity after 12 months from the reporting date)	44.20	3.12
Total (A)	68.36	22.99
(Unsecured, considered doubtful / credit impaired)		
Accrued Interest (refer note 41)	77.09	66.75
Less : Loss allowance (refer note 41)	(77.09)	(66.75)
Total (B)	-	-
Total (A+B)	68.36	22.99
Notes:		
(i) Bank deposits amounting to ₹41.69 million (March 31, 2025: ₹3.03 million) are pledged / deposited with banks and various government authorities for tender, bank guarantee, margin money, etc.		
(ii) Refer note 43 and 44 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.		
6. Income tax assets (net)		
Advance taxes	117.53	173.37
Less: Provision for taxes	-	(114.81)
Total	117.53	58.56
7. Other non-current assets		
(Unsecured, considered good unless stated otherwise)		
Capital advances	3.16	6.80
Prepaid expenses	0.05	0.05
Total (A)	3.21	6.85
(Unsecured, considered doubtful / credit impaired)		
Capital advances	181.59	177.47
Less: Allowance for doubtful advances	(181.59)	(177.47)
Total (B)	-	-
Total (A+B)	3.21	6.85
8. Inventories		
(Valued at lower of cost or net realisable value)		
Raw materials including packing materials	363.03	708.45
Finished goods	680.62	557.17
Traded goods	14.00	9.26
Work-in-progress	112.45	116.43
Stores and spares	93.26	129.65
Total	1,263.36	1,520.96
Note: Refer note 28, 29 and 30 for consumption of materials, purchase of traded goods and changes in inventories recorded by the Company.		
9. Trade receivables		
Unsecured, considered good	306.79	208.48
Unsecured, considered doubtful / credit impaired	32.66	24.45
	339.45	232.93
Less: Allowance for expected credit loss	(32.66)	(24.45)
Total	306.79	208.48
Notes:		
(i) Refer note 43 and 44 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.		

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(ii) Ageing for trade receivables as at March 31, 2026: (₹ in million)

Particulars	Not due	Outstanding for periods from due date of payments					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	190.18	112.26	2.30	0.58	0.03	1.44	306.79
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	0.96	0.96
Undisputed trade receivables - credit impaired	0.01	5.36	2.09	0.46	0.66	23.12	31.70
Total	190.19	117.62	4.39	1.04	0.69	25.52	339.45
Less: Allowance for doubtful trade receivables							(32.66)
Trade receivables (Net)							306.79

(iii) Ageing for trade receivables as at March 31, 2025: (₹ in million)

Particulars	Not due	Outstanding for periods from due date of payments					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	201.66	5.22	0.19	0.26	-	1.15	208.48
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	0.96	0.96
Undisputed trade receivables - credit impaired	0.26	0.18	0.28	0.60	1.77	20.40	23.49
Total	201.92	5.40	0.47	0.86	1.77	22.51	232.93
Less: Allowance for doubtful trade receivables							(24.45)
Trade receivables (Net)							208.48

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
10. Cash and cash equivalents		
Balances with banks		
- in current accounts	23.44	73.58
- in exchange earners' foreign currency accounts	0.41	1.74
Cash on hand	0.30	0.32
Bank deposits with original maturity upto 3 months	-	309.40
Total	24.15	385.04

Notes:

- Bank deposits amounting to ₹ Nil (March 31, 2025: ₹309.40) are pledged / provided with banks and various government authorities for tender, bank guarantee, margin money, etc.
- There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

11. Bank balances other than cash and cash equivalents

Bank Deposits (with original maturity for more than 3 months but less than 12 months from the reporting date)	57.08	236.61
Total	57.08	236.61

Note: Bank deposits amounting to ₹57.06 million (March 31, 2025: ₹236.61 million) are pledged / provided with banks and various government authorities for tender, bank guarantee, margin money, etc.

12. Loans (current)

(Unsecured, considered good, unless stated otherwise)		
Amounts receivable from employees	14.52	17.75
Total (A)	14.52	17.75
(Unsecured, considered doubtful / credit impaired)		
Loans to related parties (refer note 41 and 49(b))	585.16	585.16
Less: Loss allowance for doubtful loans / credit impaired (refer note 41 and 49(b))	(585.16)	(585.16)
Total (B)	-	-
Total (A+B)	14.52	17.75

Notes:

- Refer note 43 and 44 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.
- Loans to related parties have been granted for business purposes.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
13. Other financial assets (current)		
(Unsecured, considered good, unless stated otherwise)		
Security deposits	2.49	1.86
Bank deposits with original maturity for more than 12 months but remaining maturity is less than 12 months on reporting date	231.28	161.43
Others	289.86	0.66
Total (A)	523.63	163.95
(Unsecured, considered doubtful / credit impaired)		
Security deposits	2.04	2.04
Less: allowance for doubtful deposits	(2.04)	(2.04)
Total (B)	-	-
Total (A+B)	523.63	163.95

Notes:

- Refer note 43 and 44 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.
- Bank deposits amounting to ₹228.60 million (March 31, 2025: ₹159.93 million) are pledged / provided with banks and various government authorities for tender, bank guarantee, margin money, etc.

14. Other current assets

(Unsecured, considered good, unless stated otherwise)

Balances with statutory authorities	587.10	647.89
Prepaid expenses	36.47	27.16
Export benefits receivable	9.58	4.38
Advance to suppliers	22.23	38.02
Total (A)	655.38	717.45

(Unsecured, considered doubtful / credit impaired)

Advance to suppliers	38.27	35.48
Less: Allowance for doubtful advances	(38.27)	(35.48)
Total (B)	-	-
Total (A+B)	655.38	717.45

15. Share capital

Authorised

125,000,000 (March 31, 2025: 125,000,000) equity shares of ₹1 each	125.00	125.00
109,837,000 (March 31, 2025: 109,837,000) preference shares of ₹10 each	1,098.37	1,098.37
	1,223.37	1,223.37

Issued, subscribed and fully paid up

61,250,746 (March 31, 2025: 61,250,746) equity shares of ₹1 each	61.25	61.25
Total	61.25	61.25

Notes:

- Reconciliation of number of equity shares:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ in million	No. of shares	₹ in million
Equity shares at the beginning of the year	61,250,746	61.25	61,250,746	61.25
Changes during the year	-	-	-	-
Equity shares at the end of the year	61,250,746	61.25	61,250,746	61.25

- Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹1 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 if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors has not proposed any dividend on equity shares for current year and previous year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts including preference shares. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

The Company has not reserved any shares for issuance under options.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(c) Details of Promoters' equity share holding in the Company:

Name of shareholders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Dr. Rajesh Jain	30,217,312	49.33%	30,217,312	49.33%
Mr. Sandeep Jain	9,351,924	15.27%	9,351,924	15.27%

(d) Details of equity shareholders holding more than 5% of equity shares in the Company:

Name of shareholders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Dr. Rajesh Jain	30,217,312	49.33%	30,217,312	49.33%
Mr. Sandeep Jain	9,351,924	15.27%	9,351,924	15.27%

The above information has been furnished as per the shareholders' details available with the Company at the year end.

(e) The Company has neither bought back any equity shares nor issued any equity shares as bonus or for consideration other than cash, during the period of five years immediately preceding the reporting date.

(f) Terms attached to 0.5% cumulative non-convertible and non-participating redeemable preference shares:

The Company has only one class of preference shares having a par value of ₹10 per share. The Company declares and pays dividends in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors has not proposed any dividend on preference shares for current year and previous year.

The preference shares were initially issued for a period of 10 years w.e.f. January 6, 2015. The terms of preference shares were amended on April 8, 2019 so as to enhance the tenure from 10 years to 15 years with an option with the Company as well as preference shareholders for early redemption of preference shares, provided the secured debt obligations with respect to debentures issued by the Company are fully serviced as per the agreed terms. The said debentures were assigned and novated in favour of Panacea Biotec Pharma Limited in financial year 2019-20 and have subsequently been fully redeemed during financial year 2021-22.

In the event of liquidation of the Company, the holders of preference shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in preference to the equity shareholders. The distribution will be in proportion to the number of preference shares held by the preference shareholders. Also refer note 17(iii) with respect to liability component of preference shares.

(g) Reconciliation of 0.5% cumulative non-convertible and non-participating redeemable preference shares:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ in million	No. of shares	₹ in million
Preference shares at the beginning of the year	16,137,000	161.37	16,137,000	161.37
Changes during the year	-	-	-	-
Preference shares at the end of the year	16,137,000	161.37	16,137,000	161.37

(h) The Company has neither bought back any preference shares nor issued any preference shares as bonus or for consideration other than cash, during the period of five years immediately preceding the reporting date.

(i) Details of Promoter's preference shareholding and preference shareholders holding more than 5% of 0.5% cumulative non-convertible and non-participating redeemable preference share capital:

Name of shareholders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Dr. Rajesh Jain	13,008,600	80.61%	13,008,600	80.61%
Mr. Sandeep Jain	3,128,400	19.39%	3,128,400	19.39%

The above information has been furnished as per the shareholders details available with the Company at the year end.

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
16. Other equity		
A. Reserves and surplus:		
Capital reserve	2,148.34	2,148.34
Retained earnings	(2,178.43)	(1,890.83)
General reserve	684.99	684.99
Securities premium reserve	897.05	897.05
Capital redemption reserve	1,022.34	1,022.34
Total (A)	2,574.29	2,861.89
B. Equity component of compound financial instruments (refer note 15(f) to 15(i) and 17(iii))	216.54	216.54
Total (A+B)	2,790.83	3,078.43

Note: For changes in balances of reserves, refer to the Standalone Statement of Changes in Equity.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

Nature and purpose of other reserves:

General reserve: The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Securities premium: Represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained earnings: Profits / (Losses) that the Company has earned till date, less any transfer to any reserves, dividend or other distribution paid to shareholders.

Capital redemption reserve: Created in accordance with provisions of the Act in connection with the buy back of equity shares from the market.

Capital reserve: Created pursuant to the transfer of pharmaceutical business to PBPL and demerger of the real estate business.

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
17. Borrowings (non-current)		
Unsecured:		
Liability component of compound financial instruments:		
16,137,000 (March 31, 2025: 16,137,000) 0.5% cumulative non-convertible and non-participating redeemable preference shares of ₹10 each (refer note (iii) below)	86.64	72.06
Loans from related parties (refer note (i) & (ii) below)	2,372.75	1,533.03
Total	2,459.39	1,605.09

Notes :

- Rate of interest: The Company's long term borrowings were at an effective weighted average rate of 9% p.a. (March 31, 2025: 9% p.a.).
- Repayment terms and security of Loans: Loans from related parties include loans from promoter, director and / or bodies corporate and are payable after five years from the date of borrowings. Refer note 41 also.
- Liability component of compound financial instruments :
Further to note 15(f), the preference shares are presented in the balance sheet as follows:

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Value of preference shares issued	161.37	161.37
Opening interest accrued	127.23	115.11
Interest expense (refer note below)	14.58	12.12
Total (A)	303.18	288.60
Equity component of preference shares (refer note below)	216.54	216.54
Total (B)	216.54	216.54
Liability component of compound financial instruments (A-B)	86.64	72.06

Note: The equity component is the difference between fair value of liability component computed at the effective interest rate of 18.85% p.a. (March 31, 2025: 18.85% p.a.) and the value of preference shares issued, which is presented as a separate component of equity in the Standalone Statement of Changes in Equity.

18. Other financial liabilities (non-current)

Interest accrued but not due on borrowings (refer note 41)	134.63	91.98
Security deposit	4.57	4.57
Total	139.20	96.55

19. Provisions (non-current)

Provision for gratuity (net) (refer note 42)	110.67	105.14
Provision for compensated absences (refer note 42)	71.72	76.88
Provision for expected sales return	18.99	17.51
Total	201.38	199.53

Change in provision for expected sales return:

Particulars	(₹ in million)
As at April 01, 2024	-
Changes during the year	17.51
As at March 31, 2025	17.51
Changes during the year	1.48
As at March 31, 2026	18.99

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
20. Deferred tax liabilities (net)		
Deferred tax liabilities arising on account of:		
Property, plant and equipment and intangible assets	571.05	584.94
Total (A)	571.05	584.94
Deferred tax assets arising on account of:		
Expenditure allowed on payment basis	106.72	79.32
Allowance for expected credit loss and doubtful advances	222.24	200.07
Carried forward business losses and unabsorbed depreciation	222.24	165.75
Total (B)	551.20	445.14
Total (A-B)	19.85	139.80

Note: Refer note 35 for changes in balances of deferred tax assets and / or liabilities.

21. Borrowings (current)

Unsecured:

Loans from related parties	191.78	679.42
Total	191.78	679.42

Notes :

- (i) Rate of interest: The Company's short term borrowings were at the effective weighted average rate of 9% p.a. (March 31, 2025: 9%)
- (ii) Repayment terms and security of Loans: Loans from related parties include loans from bodies corporate and are payable within 12 months from the date of borrowings. Refer note 41 also.

22. Trade payables

Total outstanding dues of micro enterprises and small enterprises	145.34	95.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,189.16	1,552.76
Total	1,334.50	1,648.30

Notes:

- (i) Refer note 41 for related party transactions disclosures.

- (ii) Ageing for trade payables outstanding as at March 31, 2026: (₹ in million)

Particulars	Outstanding for periods from due date of payments					Unbilled due	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Micro enterprises and small enterprises	14.69	124.66	6.57	-	-	-	145.92
Others	43.05	275.87	17.02	2.18	33.55	108.75	480.42
Disputed Dues - MSME	-	-	-	11.73	-	-	11.73
Disputed Dues - Others	-	-	-	-	696.43	-	696.43
Total	57.74	400.53	23.59	13.91	729.98	108.75	1,334.50

- (iii) Ageing for trade payables outstanding as at March 31, 2025: (₹ in million)

Particulars	Outstanding for periods from due date of payments					Unbilled due	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Micro enterprises and small enterprises	0.07	84.09	11.38	-	-	-	95.54
Others	4.55	715.22	7.40	69.44	27.41	95.38	919.40
Disputed dues - Others	-	-	-	-	633.36	-	633.36
Total	4.62	799.31	18.78	69.44	660.77	95.38	1,648.30

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(iv) Details of dues to micro, small and medium enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006 ["MSMED Act"]:

On the basis of confirmation obtained from suppliers who have registered themselves under the MSMED Act, and based on the information available with the Company, the following are the disclosures pursuant to the said MSMED Act :

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
The amount remaining unpaid to any supplier as at the end of each accounting year		
Principal	145.34	95.54
Interest	7.29	0.14
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	7.29	0.14
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	-

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
23. Other financial liabilities (current)		
Grant received (refer note (ii) below)	36.20	17.69
Interest accrued but not due on borrowings (refer note 41)	57.37	17.46
Interest accrued and due on borrowings (refer note 41)	1.65	6.06
Others	43.88	51.14
Total	139.10	92.35

Notes:

- (i) Refer note 43 and 44 for disclosure of fair value in respect of financial liabilities measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.
- (ii) During the financial year 2022-23, the Company had received grant of ₹236.65 million from Coalition for Epidemic Preparedness Innovations (CEPI), Norway for development of a broadly protective Beta-coronavirus vaccine. During the financial year 2024-25, the Company has recognised grant income of ₹218.96 million against the expenditure incurred on this project upto March 31, 2025. The project is in progress. Pending completion of the project, the unutilised amount of grant is considered as other financial liability.

24. Other current liabilities

Advances from customers (refer note 37(A)(viii) and note 50)	679.88	625.61
Deferred government grant	162.53	139.00
Statutory liabilities	21.90	20.06
Total	864.31	784.67

25. Provisions (current)

Provision for compensated absences (refer note 42)	87.56	74.46
Provision for others (refer note below)	234.83	234.83
Total	322.39	309.29

Note: There is no movement in provision for others during current and previous financial year.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(₹ in million)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
26. Revenue from operations		
Sale of products (net)		
Finished goods	3,251.14	2,486.09
Traded goods	29.65	10.76
Sale of services		
Royalty income	590.06	20.63
Other operating revenue		
Export benefits	14.14	9.50
Production Linked Incentive (refer note (B)(ii) below)	-	165.00
Grant income from Government / Others (refer note (B)(iii) below)	244.75	402.69
Scrap sale	5.18	3.88
Total	4,134.92	3,098.55
A. Disaggregated revenue from contracts with customers:		
Revenue from sale of products and service		
Vaccines	3,841.20	2,506.72
Others	29.65	10.76
Other operating revenue:		
Vaccines	258.89	577.19
Others	5.18	3.88
Total	4,134.92	3,098.55
Revenue by Geography:		
India	1,363.17	929.18
Outside India	2,771.75	2,169.37
Total	4,134.92	3,098.55
B. Reconciliation of gross revenue with the revenue from contracts with customers:		
Gross Revenue	4,184.14	3,113.84
Adjusted for:		
Discounts	(0.82)	(0.95)
Sales returns	(48.40)	(14.34)
Total	4,134.92	3,098.55
Notes:		
(i) Revenues are recorded at a point in time when the Company has no remaining performance obligations once the goods are delivered to the customer as per terms of the contract.		
(ii) The Company has received incentive of ₹Nil (financial year 2024-25: ₹165.00 million) under the Production Linked Incentive (PLI) Scheme for Pharmaceuticals of the Govt. of India. Under this Scheme the Company is eligible for total incentive of ₹500 million for financial year 2022-23 to financial year 2027-28 subject to the Company meeting the scheme conditions relating to investments and sales growth.		
(iii) Grant income from Government / Others includes grant income of (i) ₹30.56 million (financial year 2024-25: ₹218.96 million) recognised against the grant received from CEPI for developing a broadly protective Beta-coronavirus vaccine as per the grant terms, and (ii) ₹214.19 million (financial year 2024-25: ₹183.73 million) recognised against the advance license / EPCG licenses.		
C. Information about trade receivables, contract assets from contracts with customers:		
Trade receivables (refer note (i) below) (refer note 9)	339.45	232.93
Contract balances: Advances from customers (refer note (ii) below) (refer note 24)	679.88	625.61
Total	1,019.33	858.54
Notes:		
(i) Trade receivables are non-interest bearing and are generally due within 30 to 180 days. There is no significant financing component in any transaction with the customers.		
(ii) The adjustments of advances during the year are not considered to be significant.		

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
27. Other income		
Income from investments:		
Dividend income	0.04	0.04
Interest income from:		
Bank deposits	26.92	25.56
Loans to subsidiaries	77.09	66.75
Others	7.94	2.56
Others:		
Excess provisions and other balances written back	17.54	13.46
Lease rent - investment property (refer note 38)	41.25	16.44
Lease rent - others (refer note 38)	7.29	28.98
Gain on sale of property, plant and equipment (net)	-	0.63
Gain on foreign exchange transactions and translations (net)	-	10.87
Miscellaneous	1.96	0.89
Total	180.03	166.18
Note: Refer note 41 for related party transaction disclosures.		
28. Cost of materials consumed		
Raw materials including packing materials:		
Inventories at the beginning of the year	708.45	526.26
Add : Purchases during the year	1,849.53	1,422.30
Less: Inventories at the end of the year	(363.03)	(708.45)
Total	2,194.95	1,240.11
29. Purchases of traded goods		
Purchases of traded goods	40.10	17.52
Total	40.10	17.52
Note: Refer note 41 for related party transaction disclosures.		
30. Changes in inventories of finished goods, traded goods and work-in-progress		
Inventories at the end of the year:		
Finished goods	680.62	557.17
Traded goods	14.00	9.26
Work-in-progress	112.45	116.43
Total (A)	807.07	682.86
Inventories at the beginning of the year:		
Finished goods	557.17	318.30
Traded goods	9.26	-
Work-in-progress	116.43	134.00
Total (B)	682.86	452.30
Changes in inventories of finished goods, traded goods and work-in-progress (B-A)	(124.21)	(230.56)
31. Employee benefits expense		
Salary and wages	934.78	906.13
Contribution to provident and other funds (refer note 42)	27.00	25.51
Staff welfare expenses	41.54	38.54
Total	1,003.32	970.18
Note: Refer note 41 for related party transaction disclosures.		
32. Finance costs		
Interest expense	249.81	149.23
Other borrowing costs	3.24	5.36
Total	253.05	154.59
Note: Refer note 41 for related party transaction disclosures.		
33. Depreciation and amortisation expense		
Depreciation on property, plant and equipment	172.07	191.70
Depreciation on investment properties	10.99	10.45
Amortisation of intangible assets	4.39	0.70
Total	187.45	202.85

Notes to the Standalone Financial Statements for the year ended March 31, 2026

Particulars	(₹ in million)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
34. Other expenses		
Advertising and sales promotion	26.51	34.42
Allowance for expected credit loss and doubtful advances	93.38	69.81
Analytical testing and trial	40.48	37.19
Bad debts, advances and other balances written off	-	0.35
Commission on sales	15.95	20.42
Consumption of stores and spares	251.62	229.83
Directors' sitting fees	5.42	1.65
Donation	-	1.13
Freight and forwarding	20.65	43.55
Insurance	37.64	36.07
IT Services	57.79	36.78
Legal and professional	123.32	90.43
Loss on foreign exchange transactions & translation (net)	55.30	-
Meetings and conferences	5.64	13.36
Miscellaneous expenses	10.41	26.75
Office expenses	0.36	1.43
Payment to statutory auditor (refer note (i) below)	4.72	5.19
Postage and communication	5.95	5.25
Power and fuel	264.30	284.61
Printing and stationery	3.83	5.10
Property, plant and equipment written off	-	13.40
Rates and taxes	16.49	10.66
Rent	6.97	4.30
Rent from related party	5.41	6.95
Repairs and maintenance:		
Buildings	16.40	28.01
Plant and machinery	30.82	34.57
Others	18.14	37.93
Royalty	0.92	0.08
Security charges	22.25	21.08
Staff training and recruitment	11.53	10.19
Subscription	6.97	9.02
Travelling and conveyance	24.97	37.95
Vehicle running and maintenance	14.94	13.15
Total	1,199.08	1,170.61

Notes:

(i) Payment to statutory auditor (excludes GST)

As auditor

- Audit fee	2.18	2.00
- Limited review fee	1.90	1.80
In other capacity		
- Certification and other matters	0.38	0.98
- Reimbursement of out of pocket expenses	0.27	0.41

Total

4.73 5.19

(ii) Refer note 41 for related party transaction disclosures.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
35. Tax expense		
(a) Income tax expense reported in the Statement of Profit and Loss		
Income tax expense consists of the following:		
Current tax	(15.90)	-
Deferred tax	(123.81)	(108.30)
Total tax expense / benefit	(139.71)	(108.30)
(b) Income tax expense in other comprehensive income:		
Income tax relating to remeasurement income / (loss) on defined benefit plans	(3.86)	(0.18)
Total (B)	(3.86)	(0.18)
Total tax expense / (benefit) (A+B)	(135.85)	(108.12)
Reconciliation of estimated tax expense at statutory income tax rate to income tax expense reported:		
Profit / (loss) before income taxes	(438.79)	(260.57)
At Company's statutory income tax rate of 25.168% (March 31, 2025: 25.168%)	(110.43)	(65.58)
Impact on account of change in tax rate on long term capital gains	-	(42.11)
Non-deductible expenses for tax purpose	5.82	-
Deferred tax adjustment (refer note (b) below)	(31.24)	(0.43)
Total tax expense / (benefit)	(135.85)	(108.12)

Tax losses:

- The Company has unabsorbed business losses and unabsorbed depreciation as per tax laws of ₹558.47 million and ₹324.53 million, respectively as at March 31, 2026 (March 31, 2025: ₹388.82 million and ₹269.73 million, respectively) that is available for off-setting against the future taxable profits of the Company. The unabsorbed business losses can be carried forward for a period of eight years from the date of incurrence of such losses as per tax laws. These unabsorbed business losses will expire in financial year ending March 31, 2030 to March 31, 2034.
- Deferred tax adjustment on account of earlier year losses, provision for doubtful advances and interest receivable now considered as realisable under income tax laws by the Company.
- Movement in deferred tax assets / (liabilities) :

For the year ended March 31, 2026:

(₹ in million)

Particulars	As at March 31, 2025	Charged / (credited) to		As at March 31, 2026
		Profit and loss account	Other comprehensive income	
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment and intangible assets	584.94	(13.89)	-	571.05
Total (A)	584.94	(13.89)	-	571.05
Tax effect of items constituting deferred tax assets:				
Expenditure allowed on payment basis	79.32	31.26	(3.86)	106.72
Allowance for expected credit loss and doubtful advances	200.07	22.17	-	222.24
Effect of unabsorbed business losses and depreciation	165.75	56.49	-	222.24
Total (B)	445.14	109.92	(3.86)	551.20
Net deferred tax assets / (liabilities) (B-A)	(139.80)	123.81	(3.86)	(19.85)

For the year ended March 31, 2025:

Particulars	As at March 31, 2024	Charged / (credited) to		As at March 31, 2025
		Profit and loss account	Other comprehensive income	
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment and intangible assets	708.16	(123.22)	-	584.94
Total (A)	708.16	(123.22)	-	584.94
Tax effect of items constituting deferred tax assets:				
Expenditure allowed on payment basis	46.04	33.46	(0.18)	79.32
Allowance for expected credit loss and doubtful advances	-	200.07	-	200.07
Effect of unabsorbed business losses and depreciation	414.20	(248.45)	-	165.75
Total (B)	460.24	(14.92)	(0.18)	445.14
Net deferred tax assets / (liabilities) (B-A)	(247.92)	108.30	(0.18)	(139.80)

- The deferred tax assets on unabsorbed business losses and depreciation have been recognised only to the extent of deferred tax liabilities only.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

Particulars	(₹ in million)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
36. Earning / (Loss) per share		
Profit / (Loss) attributable to shareholders	(299.08)	(152.27)
Weighted average number of equity shares	61,250,746	61,250,746
Face value per equity share (in ₹)	1.00	1.00
Earning / (loss) per equity share - basic and diluted (in ₹)	(4.88)	(2.49)

Particulars	(₹ in million)	
	As at March 31, 2026	As at March 31, 2025
37. Contingent liabilities and commitments		
(A) Contingent liabilities (to the extent not provided for):		
Disputed demands / show cause notices under:		
Income tax cases (refer notes (i) to (vi) below)	3,614.48	3,582.45
Sales Tax / VAT / GST / Service tax / Excise & Custom duty cases (refer note (vii) and (ix) to (xiii) below)	389.89	88.40
Labour cases (refer note (xiv) below)	137.18	-

Notes:

- i) Includes income tax demand of ₹99.52 million in respect to Assessment Year 2005-06. The Income Tax Department had issued alleged demand based on certain grounds related to purchases made by the Company from an overseas vendor. The matter was decided in favour of the Company and the demand was cancelled by Commissioner of Income Tax (Appeals) ("CIT (Appeals)"). However, the Income Tax Department filed an appeal before Income Tax Appellate Tribunal ("ITAT") against the order of CIT (Appeals). During the financial year 2025-26 the same has been allowed in favour of the Company. Keeping in view that the stipulated period for filing of appeal by the Income Tax department against the said order of the Hon'ble ITAT is not yet over, the management has decided to continue to show the amount as a contingent liability.
- ii) A search operation was conducted by the Income Tax Department in the premises of the Company in January 2012 and hence the Company re-filed the income tax returns for the Assessment Year 2006-07 to 2012-13. During the year ended March 31, 2015, the Income Tax Department completed the assessment of the said years, disallowed certain expenses and issued demand of ₹3,294.90 million (including interest) on various grounds. The Company preferred appeals before the CIT (Appeals) against the orders of the Income Tax Department. The appeals were decided in favour of the Company and the demand was cancelled. However, CIT (Appeals) made certain disallowances with respect to Assessment Year 2010-11 and 2011-12 against which the Company filed appeals before the (ITAT). The Income Tax Department also filed appeal before ITAT against the orders of CIT (Appeals). During the financial year 2025-26, the Hon'ble ITAT has, vide its consolidated Order dated February 27, 2026 (a) dismissed all seven appeals filed by the Income Tax Department against the orders of the CIT (Appeals) for Assessment Years 2006-07 to 2012-13; (b) allowed both appeals filed by the Company against the CIT (Appeals) orders dated July 27, 2015, for Assessment Years 2010-11 and 2011-12; and quashed the underlying assessment orders passed by the Assessing Officer / DCIT for Assessment Years 2006-07 to 2012-13, thereby providing complete relief to the Company. Keeping in view that the stipulated period for filing of appeal by the Income Tax Department against the said order of the Hon'ble ITAT is not yet over, the management has decided to continue to show this amount as a contingent liability.
- iii) The Income Tax Department had raised a demand of ₹33.69 million in respect of Assessment Year 2016-17 based on transfer pricing order passed by Dispute Resolution Panel. The alleged demand was raised on purchase of certain goods by the Company from its associated enterprise wherein, according to Income Tax Department, arms' length price adjustment was warranted. The Company filed appeal before ITAT against the order passed by the Income Tax Department. During financial year 2023-24, the said appeal has been decided in favour of the Company. Further, the department has filed an appeal before the Hon'ble Delhi High court, against the order of the Hon'ble ITAT. Based on legal advice, the Company believes that it has merits in this case, hence no provision is required.
- iv) The Income Tax Department has levied a penalty of ₹93.88 million in respect of Assessment Years 2017-18, 2020-21 & 2021-22 on account of alleged under reporting of income in assessment orders passed for the said years. The Company filed an appeal before CIT (Appeals) against the order passed by the Income Tax Department but the same was dismissed by the CIT (Appeals). The Company has filed an appeal before the Hon'ble ITAT against the order passed by the CIT (Appeals). Based on legal advice, the Company believes that it has merits in these cases, hence no provision is required.
- v) The Income Tax Department had raised a demand of ₹2,620.80 million in respect of Assessment Year 2020-21. The alleged demand was raised due to wrong addition of contingent liability not provided for, set-off of business losses not allowed and increase in other income due to set-off of business losses not allowed. The Company filed an appeal before CIT (Appeals) and rectification application before assessing officer against the order passed by the Income Tax Department. During the financial year 2023-24, while the said appeal was under consideration, the assessing officer has passed rectification order in favour of the Company and reduced the said tax demand to ₹91.63 million. The Company believes that it has merits in this case, hence no provision is required.
- vi) The Income Tax Department has raised a demand of ₹0.86 million in respect of Assessment Year 2018-19 on the ground of alleged non-

Notes to the Standalone Financial Statements for the year ended March 31, 2026

deduction of withholding tax on certain foreign remittances made by the Company. The Company has filed an appeal before CIT (Appeals) against the order passed by the Income Tax Department and the same was dismissed by the CIT (Appeals). The Company has filed an appeal before the Hon'ble ITAT against the order passed by the CIT (Appeals). Based on legal advice, the Company believes that it has merits in this case, hence no provision is required.

- vii) Service tax and Excise & Custom duty litigations with respect to disallowance of input tax credit, rebate claim and levy of service tax are pending with various authorities. The Company believes that it has merit in these cases and hence no provision is required.
- viii) The Company had manufactured and offered supply of certain vaccines which were manufactured against the confirmed order received from the Ministry of Health and Family Welfare ("MOHFW"), Govt. of India. Some quantities of vaccines were supplied during December 2011, the balance could not be supplied in view of disputes with respect to delivery dates and in the meantime the stock of such vaccines amounting to ₹74.10 million expired. Further, the Company also received an advance market commitment ("AMC") amounting to ₹100.00 million towards against these vaccines. The refund of the advance so received (after adjusting the amount receivable against the vaccines already supplied) was demanded back by MOHFW along with interest on account of non-supply of balance quantities of vaccines. In view of above disputes, the Company obtained a stay order from the Hon'ble Delhi High Court against recovery of said amount, till the disputes are finally resolved through arbitration. The arbitration award was pronounced in favour of the Company on March 14, 2019, vide which MOHFW was directed to pay the applicable amount for vaccine supplied / offered for supply along with interest. MOHFW filed an appeal before Hon'ble Delhi High Court raising certain objections against the award, which was dismissed by the Hon'ble Court. MOHFW filed an appeal against such order before the Division Bench of the Hon'ble Delhi High Court which was also rejected. MOHFW has filed a Special Leave Petition against such order before the Hon'ble Supreme Court of India. The same is currently pending before Hon'ble Supreme Court of India. The Company's application for execution of award is also currently pending before the Hon'ble Delhi High Court. The Company believes that it has merits in this case and the outcome of this matter will not have any material adverse impact on the financial position of the Company.
- ix) In March 2024, the Company received summons from Asst. Commissioner of State Tax ("ACST"), Mumbai to enquire if the Company had paid GST on sale of the leasehold land and building at Navi Mumbai in March 2022. The Company's officials attended the proceedings and clarified that the GST was not applicable as the said transaction was covered under Schedule III to CGST / MGST Act. However, following persistent follow-up by the GST authorities, the Company deposited an amount of ₹31.42 million under protest. The Company filed a writ petition before the Hon'ble High Court of Judicature at Bombay against the said proceedings. The Hon'ble High Court has set aside the demand order on January 22, 2025 and the matter was remanded back to the ACST, Mumbai for a fresh adjudication on the show cause notice. The Hon'ble High Court also directed the ACST, Mumbai to take into consideration and deal with the recent decision of the Gujarat High Court on a similar issue whilst rendering its findings on the show cause notice. Subsequently, ACST, Mumbai issued a fresh demand order of ₹70.34 million (including interest and penalty) after adjusting ₹31.42 million deposited under protest. The Company has again filed a writ petition before the Hon'ble High Court. The Hon'ble High Court has passed interim order stating that no recovery proceedings shall be initiated against the Company and the final order is yet to be passed. The Company believes that the Company has merits in its case and hence the Company has not made any provision in respect of this matter.
- x) In December 2023, the Company received a demand order from State Tax Officer, Kerala raising demand of ₹1.75 million (including penalty and applicable interest) for financial year 2017-18 rejecting the Company's claim for input tax credit on account of non-submission of relevant documents. The Company has filed an appeal on February 02, 2024 before the Appellate Authority which is pending. The Company believes that it has merit in this case and hence no provision is required.
- xi) In February 2025, the Company received a demand order from Superintendent, Central Goods & Services Tax, Derabassi-I, Punjab raising demand of ₹0.33 million (including penalty) and applicable interest for financial year 2020-21 on account of alleged excess claim of input credit w.r.t. import of goods. The Company has filed an appeal before the Appellate Authority against the aforesaid demand order on April 26, 2025. The Company believes that it has merit in this case and hence no provision is required.
- xii) In September 2025, the Company has received show cause notice from Assistant Commissioner, Central GST (Audit), Ludhiana, Punjab for financial years 2019-20 to 2021-22 demanding GST of ₹228.81 million and applicable interest on corporate guarantee of ₹8,640.00 million provided by the Company in favour of its WOS Panacea Biotech Pharma Limited. The Company has filed a Writ Petition before the Hon'ble Punjab & Haryana High Court. The Hon'ble High Court has, vide its order dated January 1, 2026, held that no coercive action be taken against the Company in case final assessment order is passed or a demand is raised. The Additional Commissioner, CGST Sub-Commissionerate, Mohali has issued a demand order dated March 30, 2026 confirming the aforesaid demand. The Company has filed an appeal against the said demand order before the Appellate Authority. The Company believes that the Company has merit in its case and hence the Company has not made any provision in respect of this matter.
- xiii) In December 2025, the Company has received a demand order from Commercial Tax Officer, Tamil Nadu raising a demand of ₹0.51 million (including penalty and interest) for financial year 2021-22 on account of alleged short payment of tax liability. The Company has filed an appeal against the order before the Appellate Authority on March 25, 2026. The Company believes that it has merit in this case and hence no provision is required.
- xiv) With respect to the 4 old labour cases pending before the Presiding Officer, Industrial Tribunal, Mohali in respect of manufacturing facility of the Company at Lalru, Punjab, during financial year 2024-25, the Company initiated settlement process and recognised an amount of ₹42.80 million as the compensation payable in respect of these cases, out of which ₹22.51 million has been paid as on March 31, 2026 (March 31, 2025: ₹18.51 million) and the balance amount has been included as a liability in the financial statements. The Company has received 4 awards dated March 19, 2026, whereby the Tribunal has, inter-alia, set aside transfer of 23 workmen and granted relief of full back wages from the date of transfer; awarded reasonable wage revision for the workmen; and awarded reinstatement of the workers (other than those who have settled the dispute) with 50% back wages from the date of termination. The Company believes that it has merits in these cases. The Company is therefore filing appeals against the aforesaid awards before the Hon'ble Punjab and Haryana High Court, Chandigarh. Accordingly, the Company has not made any provisions in respect of these matters. In view of large number of other cases, it is impracticable to disclose each case.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

xv) The Company has received notices from various authorities seeking information mentioned in the said notices. In view of the management these notices may not have any financial liability on the Company.

(B) Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for the books are as follows:

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
Property, plant and equipment	106.98	76.94

38. Leases

Company as a lessee:

The Company does not have any long-term non cancellable leases during the current and previous financial year. As on April 1, 2019, leasehold land has been transferred to Right of Use ("RoU") asset. Refer note 2.1 for details.

Lease payments with respect to short term lease amounts to ₹37.34 million (March 31, 2025: ₹ 28.76 million).

Company as a lessor:

Operating leases

The Company has entered into operating leases on its investment property portfolio consisting of certain offices, guest house, warehouse, manufacturing buildings etc. These leases generally have terms of 11 months. All leases generally include a clause for upward revision of the rental charge by 5% on an annual basis according to prevailing market conditions. Rental income recognised by the Company from above said lease agreements is ₹48.54 million (March 31, 2025: ₹45.42 million).

39. Details of loans and advances, in the ordinary course of business, to subsidiaries and companies in which directors are interested:

(as required under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013)

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
a) Loans to wholly owned subsidiaries (including accrued interest)		
Panacea Biotec (International) S.A. (refer note 49(a))	156.92	139.00
Panacea Biotec Germany GmbH (refer note 49(a))	518.07	458.90
Rees Investments Limited (refer note 49(b))	585.16	585.16
Total	1,260.15	1,183.06
b) Maximum amount due at any time during the year		
Panacea Biotec (International) S.A. (refer note 49(a))	156.92	139.00
Panacea Biotec Germany GmbH (refer note 49(a))	518.07	458.90
Rees Investments Limited (refer note 49(b))	585.16	585.16
Total	1,260.15	1,183.06
c) Allowance for doubtful advances on above loan and interest receivable	1,260.15	1,183.06

Note: The above loans have been given for business purposes in the ordinary course of business.

40. Research and development expenditure

Research and development expenditure incurred by the Company during the financial year are mentioned below:

(₹ in million)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue expenditure:		
Materials consumed	4.02	9.64
Employee benefits expense	105.92	98.47
Other expenses	70.47	115.43
Depreciation and amortisation expense	18.94	24.39
Capital expenditure	9.74	92.37
Total	209.09	340.30

Notes to the Standalone Financial Statements for the year ended March 31, 2026

41. Related party disclosures

As per Ind AS 24, the disclosure of related parties and transactions with them are as given below:

A. List of related parties and relationship with whom transactions have taken place:

(i) Parties where control exists

(a) Wholly owned subsidiaries (WOS):

- Panacea Biotech Pharma Limited ("PBPL")
- Panacea Biotech (International) SA ("PBS"), Switzerland
- Panacea Biotech Germany GmbH ("PBG"), Germany (Indirect WOS ("IWOS") through PBS)
- Panacea Biotech Inc., USA (IWOS through PBPL) (w.e.f. April 9, 2024)
- Meyten Realtech Private Limited ("Meyten")
- Rees Investments Limited ("Rees"), Island of Guernsey (WOS) (liquidated on May 23, 2019)

(b) Associate & Joint Ventures:

- Adveta Power Private Limited ("Adveta")*
- PanEra Biotech Private Limited ("PanEra")*
- Chiron Panacea Vaccines Private Limited (liquidated on June 20, 2024) ("CPV")

(ii) Other related parties:

(a) Key Management Personnel:

- Dr. Rajesh Jain - Chairman and Managing Director
- Mr. Sandeep Jain - Joint Managing Director
- Mr. Ankesh Jain - Whole-time Director
- Mr. Harshet Jain - Whole-time Director (w.e.f. February 14, 2025)
- Dr. Sanjay Trehan - Whole time director (w.e.f. February 14, 2025) (designated as Director Technical & Compliances w.e.f. April 01, 2025)
- Mrs. Ambika Sharma - Non-Executive Independent Director
- Mr. Bhupinder Singh - Non-Executive Independent Director (upto October 15, 2024)
- Mr. Krishan Kumar Jalan - Non-Executive Independent Director (w.e.f. February 14, 2025)
- Mrs. Manjula Upadhyay - Non-Executive Independent Director (upto March 29, 2025)
- Mr. Mukul Gupta - Non-Executive Independent Director (upto March 31, 2026)
- Mr. Narotam Kumar Juneja - Non-Executive Non Independent Director (upto March 31, 2025)
- Dr. Rajender Pal Singh - Non-Executive Independent Director (w.e.f. February 14, 2025)
- CA Rajesh Jain - Non-Executive Independent Director (upto June 30, 2026)
- Dr. Venkatesh Sarvasiddhi - Non-Executive Independent Director (w.e.f. February 14, 2025)
- Mr. Vinod Goel - Group CFO and Head Legal & Corporate Governance (designated as Group CFO and Head Legal & Company Secretary upto December 15, 2025)
- Mr. Devender Gupta - Chief Financial Officer & Head Information Technology (Upto December 15, 2025)
- Mr. Ankit Jain - General Manager Legal & Company Secretary (w.e.f. December 16, 2025)

(b) Enterprises over which Person(s) (having control or significant influence over the Company / Key Management Personnel(s), along with their relatives) are able to exercise significant influence:

- EverWise Ventures LLP
- First Lucre Partnership Co. (holding shares in the Company)
- MD Next Life Sciences LLP
- Neophar Alipro Limited ("Neophar")

(c) Other relatives of key management personnel having transactions with the Company:

- Mr. Tanish Jain, son of Mr. Sandeep Jain
- Mr. Taric Jain, son of Dr. Rajesh Jain and brother of Mr. Ankesh Jain and Mr. Harshet Jain (employed in PBPL w.e.f. June 01, 2024).

(d) Enterprises over which Key Management Personnel(s) of PBPL, along with relatives is able to exercise significant influence and is having transactions with the Company:

- MR Lex Corp LLP

* considered as subsidiary for the purpose of consolidation as per Ind AS 110.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

B. Transactions with related parties:		(₹ in million)	
S. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
I	Transactions made during the year:		
a)	Purchase of goods / materials PBPL	20.45	0.32
b)	Purchase of property, plant and equipment PBPL	-	0.16
c)	Sale of goods / materials PBPL	32.36	0.12
d)	Sale of property, plant and equipment PBPL	-	0.10
e)	Reimbursement of expenses PBPL	27.72	26.03
f)	Recovery of expenses PBPL	9.64	11.63
g)	Rent expense Meyten	3.45	5.49
	PBPL	0.11	0.11
h)	Rent income Adveta	0.10	0.10
	Meyten	0.01	0.02
	Neophar	0.18	0.18
	PanEra	0.16	0.16
	PBPL	29.02	27.68
i)	Interest income PBGG	59.17	51.23
	PBS	17.92	15.52
j)	Interest expense PBPL	213.34	121.60
	Dr. Rajesh Jain	13.78	13.50
k)	Provision for doubtful allowance Adveta	0.10	0.15
	PanEra	0.15	0.19
	PBGG	59.17	51.23
	PBS	17.92	15.52
l)	Loan received PBPL	2,070.14	2,236.50
m)	Remuneration Dr. Rajesh Jain	9.00	9.51
	Mr. Sandeep Jain	8.41	8.75
	Mr. Ankesh Jain	-	7.66
	Mr. Harshet Jain	3.64	2.77
	Dr. Sanjay Trehan	0.84	-
	Mr. Vinod Goel	8.82	8.34
	Mr. Devender Gupta	7.41	10.27
	Mr. Tanish Jain	1.69	1.12
	Mr. Ankit Jain	1.40	-
	Employees transferred from PBPL	-	3.40
n)	Directors' sitting fees Mrs. Ambika Sharma	0.98	0.35
	Mr. Ankesh Jain	0.53	0.12
	Mr. Krishan Kumar Jalan	0.55	-
	Mrs. Manjula Upadhyay	-	0.37
	Mr. Mukul Gupta	1.10	0.41
	Mr. Narotam Kumar Juneja	-	0.24
	Dr. Rajender Pal Singh	0.55	-
	CA. Rajesh Jain	1.08	0.16
	Dr. Venkatesh Sarvasiddhi	0.65	-
o)	Legal and professional expense MR Lex Corp LLP	1.23	0.78
	Dr. Sanjay Trehan	1.77	0.27
p)	Repayment of loans received PBPL	1,827.50	1,308.78

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(₹ in million)

S. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
II	Year end balances:		
a)	Loans given		
	PBGG	458.90	407.67
	PBS	139.00	123.48
	Rees	585.16	585.16
b)	Loans received (net)		
	PBPL	2,414.53	2,062.45
	Dr. Rajesh Jain	150.00	150.00
c)	Interest accrued on loans given		
	PBGG	59.17	51.23
	PBS	17.92	15.52
d)	Interest accrued on loans received		
	PBPL	192.00	109.44
	Dr. Rajesh Jain	1.65	6.06
e)	Allowance for doubtful loans (including accrued interest)		
	PBGG	518.07	458.90
	PBS	156.92	139.00
	Rees	585.16	585.16
f)	Trade receivables		
	Adveta	0.79	0.67
	Meyten	0.02	0.01
	PanEra	0.60	0.41
	PBGG	1.35	1.16
	PBPL	41.67	1.34
g)	Allowance for doubtful receivable		
	Adveta	0.66	0.56
	PanEra	0.39	0.24
h)	Provision for impairment for investment		
	PanEra	4.20	4.20
	PBS	34.36	34.36
i)	Trade payables		
	Meyten	0.50	3.48
	MR Lex Corp LLP	0.60	0.16
	PBGG	25.42	21.79
	PBPL	89.41	3.40
j)	Investments		
	Adveta	0.90	0.90
	Meyten	0.10	0.10
	PanEra	4.20	4.20
	PBPL	1.00	1.00
	PBS	34.36	34.36
k)	Post-employment benefits		
	Dr. Rajesh Jain	19.68	20.79
	Mr. Sandeep Jain	19.13	20.46
	Mr. Harshet Jain	0.57	0.56
	Dr. Sanjay Trehan	0.03	-
	Mr. Vinod Goel	2.00	2.00
	Mr. Devender Gupta	-	1.79
	Mr. Tanish Jain	0.12	-
	Mr. Ankit Jain	0.12	NA

Note: The Company intends to continue to provide necessary financial support to its subsidiaries as and when needed, so as to ensure they continue their operations as going concern in foreseeable future. All related party transactions are at arms length price and in the ordinary course of business.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

42. Employee benefits obligations

A. Defined benefit plan

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Company is exposed to various risks as follows:

Salary increases risk:	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk:	If plan is funded than assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate risk:	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability risk:	Death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals risk:	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Gratuity (funded)

The Company provides for gratuity for employees in India, as per the code on Social Security, 2020 (previously Payments of Gratuity Act, 1972) to employees who are in continuous service for a period of 5 years. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan, the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The weighted average duration of the defined benefit obligation as at March 31, 2026 is 11.82 years (March 31, 2025: 12.25 years).

The Company expects to contribute ₹21.32 million (March 31, 2025: ₹21.35 million) towards gratuity during next year.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
a. Reconciliation of present value of defined benefit obligation and the fair value of plan assets		
Present value of defined benefit obligation as at the end of the year	174.06	168.05
Fair value of plan assets as at the end of the year	63.39	62.90
Net liability position recognised in balance sheet*	110.67	105.15
b. Changes in defined benefit obligation		
Present value of defined benefit obligation as at the start of the year	168.05	150.19
Acquisition adjustment	-	(1.39)
Interest cost	11.83	10.89
Current service cost	13.98	13.30
Past service cost	2.59	-
Benefits paid	(5.22)	(4.55)
Actuarial loss / (gain) on defined benefit obligations	(17.17)	(0.39)
Present value of defined benefit obligation as at the end of the year	174.06	168.05
c. Net interest cost		
Interest cost on defined benefit obligation	11.83	10.89
Interest income on plan assets	4.43	4.28
Net interest cost	7.40	6.61

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Notes to the Standalone Financial Statements for the year ended March 31, 2026

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
d. Amount recognised in the statement of profit and loss		
Current service cost	13.98	13.30
Past service cost	2.59	-
Net interest cost	7.40	6.61
Amount recognised in the statement of profit and loss	23.97	19.91
e. Change in plan assets		
Fair value of the plan assets at the beginning of the year	62.90	59.04
Employer contribution	4.66	3.80
Actual return on plan assets	(0.07)	4.67
Fund management charges	1.12	(0.06)
Benefits paid for eligible employees	(5.22)	(4.55)
Fair value of the plan assets at the end of the year	63.39	62.90
f. Key categories of plan assets as a percentage of the fair value of total plan assets for gratuity:		
Investment with insurer	100%	100%
g. Other comprehensive income:		
Actuarial loss / (gain) arising from change in demographic assumption	-	-
Actuarial gain / (loss) for the year on projected benefit obligation	15.17	0.38
Actuarial gain / (loss) arising on plan assets	0.17	0.33
Total actuarial loss / (gain) for the year	15.34	0.71
h. Net liability recognised in the Balance Sheet:		
Non-current provision	110.67	105.14
Current provision	-	-
i. Actuarial assumptions:		
Discount rate	7.90%	7.04%
Future salary increase	6.00%	6.00%
j. Demographic Assumption:		
Retirement age (years)	60/75	60/75
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal Rate (%)		
Ages		
Up to 30 years	10.00	10.00
From 31 to 44 years	5.00	5.00
Above 44 years	1.00	1.00
k. Sensitivity analysis for gratuity liability:**		
Impact of the change in discount rate		
a) Impact due to increase of 0.50%	(5.45)	(5.84)
b) Impact due to decrease of 0.50%	5.86	6.30
Impact of the change in salary increase		
a) Impact due to increase of 0.50%	5.35	5.65
b) Impact due to decrease of 0.50%	(5.04)	(5.30)
l. Maturity profile of defined benefit obligation:		
Within next 12 months	8.23	6.39
Between 1-5 years	51.17	49.85
Beyond 5 years	70.29	70.78

* The cash flows disclosed are discounted.

** The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant and 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 another as some of the assumption 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 balance sheet date, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

B. Other long-term benefit plans represent the compensated absences provided to the employees of the Company:

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
Current liability - Actuarial	29.01	18.97
Current liability - Others	58.55	55.49
Non-current liability	71.72	76.88
Present value of obligation at the end of the year	159.28	151.34
Changes in present value of other long-term benefit plans		
(a) Present value of obligation at the beginning of the year	95.85	83.77
(b) Acquisition adjustment	-	(2.00)
(c) Interest cost	6.75	6.07
(d) Past service cost	-	-
(e) Current service cost	16.21	17.83
(f) Benefits paid	(13.92)	(12.03)
(g) Actuarial loss / (gain)	(4.16)	2.21
(h) Others	58.55	55.49
Present value of obligation at the end of the year	159.28	151.34

Expenses recognised in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee benefits expense:		
Service cost	16.21	17.83
Interest cost	6.75	6.07
Actuarial (gain) / loss	(4.16)	2.21
Net actuarial (gain) / loss recognised in the year	18.80	26.11

C. Defined contribution plans

The Company's contribution to state governed provident fund, employees' state insurance and labour welfare fund schemes are considered as defined contribution plans. The contribution for the current year is ₹27.00 million (March 31, 2025: ₹25.51 million) and under the schemes is recognised as an expense, when an employee renders the related service. There are no other obligations of the Company, other than the contribution payable to the respective funds.

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Notes to the Standalone Financial Statements for the year ended March 31, 2026

43. Fair value measurements

A. Financial assets and liabilities

The carrying amounts and fair values of financial instruments by class are as follows:

As at March 31, 2026				(₹ in million)
Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	
Financial assets:				
(i) Investments	0.70	-	-	
(ii) Trade receivables	-	-	306.79	
(iii) Cash and cash equivalents	-	-	24.15	
(iv) Bank balances other than cash and cash equivalents	-	-	57.08	
(v) Loans	-	-	14.52	
(vi) Others financial assets	-	-	591.99	
Total	0.70	-	994.53	
Financial liabilities:				
(i) Borrowings	-	-	2,651.17	
(ii) Trade payables	-	-	1,334.50	
(iii) Other financial liabilities	-	-	278.30	
Total	-	-	4,263.97	

As at March 31, 2025				(₹ in million)
Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	
Financial assets:				
(i) Investments	0.70	-	-	
(ii) Trade receivables	-	-	208.48	
(iii) Cash and cash equivalents	-	-	385.04	
(iv) Bank balances other than cash and cash equivalents	-	-	236.61	
(v) Loans	-	-	17.75	
(vi) Other financial assets	-	-	186.94	
Total	0.70	-	1,034.82	
Financial Liabilities:				
(i) Borrowings	-	-	2,284.51	
(ii) Trade payables	-	-	1,648.30	
(iii) Other financial liabilities	-	-	188.90	
Total	-	-	4,121.71	

Note: Investment in subsidiaries and joint venture amounting to ₹40.56 million (March 31, 2025: ₹40.56 million) are measured at cost as per Ind AS 27, 'Separate Financial Statements' and hence, not presented here.

B. Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The different levels of fair value have been defined below:

Level 1: Quoted prices (unadjusted) in an active market for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in million)			
Investments:	Level 1	Level 2	Level 3
As at March 31, 2026	-	0.70	-
As at March 31, 2025	-	0.70	-

B.2 Financial assets and liabilities are measured at amortised cost. All the financial assets and liabilities valued at amortised cost form part of Level 3 of hierarchy table. Further, the carrying amounts of trade receivables, cash and cash equivalents, consignment debtors, interest accrued, other receivables, other bank balances, trade payables, employee payables and other current payables are considered to be the same as fair values, due to their short term nature. The fair value of all financial assets and financial liability, approximates the amortised cost due to their short term nature. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of loans to employees and security deposits approximates the carrying amount.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

44. Financial risk management

Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A. Credit risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counter parties and incorporates this information into its credit risk controls.

A.1 Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Asset category	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, bank balances other than cash and cash equivalents, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss or 12 month expected credit loss*
High credit risk	Trade receivables and loans	Life time expected credit loss or fully provided for

*In respect of trade receivables, the Company recognises a provision for lifetime expected credit losses.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in million)			
Particulars	Credit rating	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	A: Low credit risk	24.15	385.04
Bank balances other than cash and cash equivalents	A: Low credit risk	332.56	401.16
Loans	A: Low credit risk	14.52	17.75
Other financial assets	A: Low credit risk	316.51	22.39
Trade receivables	B: Medium credit risk	306.79	208.48
Trade receivables	C: High credit risk	32.66	24.45
Other financial assets	C: High credit risk	79.13	68.79
Loans	C: High credit risk	1,183.07	1,116.31

Cash and cash equivalents and bank deposits: Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables: Credit risk related to trade receivables are mitigated by taking bank guarantees / letter of credit, from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become two year past due.

Other financial assets measured at amortised cost: Other financial assets measured at amortized cost includes security deposits and other Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

A.2 Expected credit losses for financial assets other than trade receivables

The Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of loans, comprising of security deposits, credit risk is considered low because the Company is in possession of the underlying asset. However, in respect of loans comprising loans to related parties, credit risk is evaluated on the basis of credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. In respect of other financial assets, credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Company does not have any expected loss based impairment recognised (except in case of loans to related parties) on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

As at March 31, 2026 (₹ in million)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	24.15	-	-	24.15
Bank balances other than cash and cash equivalents	332.56	-	-	332.56
Loans to:				
- related parties	1,183.07	100.00%	1,183.07	-
- others	14.52	-	-	14.52
Other financial assets	395.64	20.00%	79.13	316.51

As at March 31, 2025 (₹ in million)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	385.04	-	-	385.04
Bank balances other than cash and cash equivalents	401.16	-	-	401.16
Loans to:				
- related parties	1,116.31	100.00%	1,116.31	-
- others	17.75	-	-	17.75
Other financial assets	91.18	75.44%	68.79	22.39

Reconciliation of loss allowance (₹ in million)

Particulars	Amount
Loss allowance as on April 1, 2024	1,001.36
Expected loss recognised / (reversed) during the year	114.95
Loss allowance as on March 31, 2025	1,116.31
Expected loss recognised / (reversed) during the year	66.76
Loss allowance as on March 31, 2026	1,183.07

A.3 Expected credit loss for trade receivables under simplified approach

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein the Company has defined percentage of provision by analysing historical trend of default relevant to each category of customer based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met). The Company has other trade receivables for ₹172.30 million (March 31, 2025: ₹184.26 million) against which it is carrying unsecured payables for corresponding amount for whose default criteria are not met and are not included in the below table.

As at March 31, 2026 (₹ in million)

Particulars	Not Due	Post Due Date						Total
		0-30 days	31-90 days	91-182 days	183-365 days	366-730 days	More than 730 days	
Gross carrying amount	4.64	84.64	2.98	8.41	5.35	0.73	24.73	131.48
Expected loss rate	0.18%	1.83%	19.11%	38.59%	39.11%	63.33%	100.00%	24.84%
Expected credit loss	0.01	1.55	0.57	3.25	2.09	0.46	24.73	32.66
Carrying amount (net of impairment)	4.63	83.09	2.41	5.16	3.26	0.27	-	98.82

Notes to the Standalone Financial Statements for the year ended March 31, 2026

As at March 31, 2025 (₹ in million)

Particulars	Not Due	Post Due Date						Total
		0-30 days	31-90 days	91-182 days	183-365 days	366-730 days	More than 730 days	
Gross carrying amount	18.82	4.93	0.22	0.24	0.47	0.86	23.13	48.67
Expected loss rate	1.38%	0.22%	22.34%	49.15%	59.11%	69.76%	100.00%	50.23%
Expected credit loss	0.26	0.01	0.05	0.12	0.28	0.60	23.13	24.45
Carrying amount (net of impairment)	18.56	4.92	0.17	0.12	0.19	0.26	-	24.22

Changes in allowance for trade receivables (₹ in million)

Particulars	Amount
As at April 1, 2024	22.46
Movement during the year	1.99
As at March 31, 2025	24.45
Movement during the year	8.21
As at March 31, 2026	32.66

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in day-to-day business. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

B.1 Contractual maturities of financial liabilities

The tables below analyse the Company's financial liabilities based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2026 (₹ in million)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings including interest thereon	1,024.23	651.03	253.60	1,804.87	3,733.73
(ii) Trade payables	1,334.50	-	-	-	1,334.50
(iii) Other financial liabilities	43.88	-	-	-	43.88
Total	2,402.61	651.03	253.60	1,804.87	5,112.11

As at March 31, 2025 (₹ in million)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings including interest thereon	730.08	766.38	643.41	925.32	3,065.19
(ii) Trade payables	1,648.30	-	-	-	1,648.30
(iii) Other financial liabilities	51.14	-	-	-	51.14
Total	2,429.52	766.38	643.41	925.32	4,764.63

C. Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate related primarily to the Company's non-current and current debt obligations financed with fixed interest rate. The Company always try to ensure minimum cash outflows. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility. Accordingly, the Company is not exposed to fluctuations in interest rate risk on borrowings.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

(ii) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the United State Dollar (USD), Euro, Swiss Frank (CHF), Pound Sterling (GBP), Swedish Krona (SEK) and Singapore Dollar (SGD). Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

(a) Foreign currency denominated financial assets and liabilities, translated at the closing rate:

Particulars	As at March 31, 2026			As at March 31, 2025		
	Amount in foreign currency	Closing rate*	Amount in reporting currency (₹ in million)	Amount in foreign currency	Closing rate*	Amount in reporting currency (₹ in million)
I. Financial assets:						
Balance with banks						
USD	4,313	93.99	0.41	20,370	85.47	1.74
Interest receivable [§]						
USD	860,414	89.59	77.09	789,371	84.56	66.75
Investment in subsidiaries [#]						
CHF	600,000	57.27	34.36	600,000	57.27	34.36
Loan to subsidiaries [#]						
USD	21,009,487	56.31	1,183.06	20,220,116	55.21	1,116.35
Foreign trade receivable						
Euro	188,643	107.81	20.34	33,868	92.41	3.13
USD	1,676,675	93.99	157.59	2,337,325	85.47	199.77
II. Financial liabilities:						
Foreign trade payable						
USD	7,742,338	93.99	727.72	13,049,298	85.47	1,115.32
Euro	532,933	107.81	57.45	629,395	92.42	58.17
GBP	162	124.21	0.02	162	110.34	0.02
SEK	22,420	9.84	0.22	16,820	8.51	0.14
CHF	4,910	117.44	0.58	4,523	96.56	0.44
SGD	-	-	-	1,976	63.60	0.13
III. Net exposure:						
USD	15,808,550		690.43	10,317,883		269.24
Euro	(344,289)		(37.12)	(595,527)		(55.04)
GBP	(162)		(0.02)	(162)		(0.02)
CHF	595,090		33.79	595,477		33.93
SEK	(22,420)		(0.22)	(16,820)		(0.14)
SGD	-		-	(1,976)		(0.13)

* Closing exchange rate has been rounded off to two decimal places.

[§] Measured at actual exchange rate.

[#] Measured at historical cost.

(b) Sensitivity analysis of change in rates of material foreign currencies on profit / (loss) after tax and equity (₹ in million)

Particulars	+ / (-) in basis points	Impact on Profit / (loss) for the year ended	
		March 31, 2026	March 31, 2025
USD	+ 200	8.98	3.50
	- 200	(8.98)	(3.50)
Euro	+ 500	(1.21)	(1.79)
	- 500	1.21	1.79
CHF	+ 200	0.44	0.44
	- 200	(0.44)	(0.44)

Notes to the Standalone Financial Statements for the year ended March 31, 2026

45. Capital management policies

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position recognised in other comprehensive income.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. The amounts managed as capital by the Company are summarised as follows:

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
Non-current borrowings	2,459.39	1,605.09
Interest accrued - non-current	134.63	91.98
Current borrowings	191.78	679.42
Interest accrued - current	59.02	23.52
	2,844.82	2,400.01
Less: Cash and cash equivalents	(24.15)	(385.04)
Net debt	2,820.67	2,014.97
Total equity	2,852.08	3,139.68
Net debt to equity ratio	98.90%	64.18%

46. Reconciliation of liabilities arising out of financing activities

The changes in the Company's liabilities arising from financing activities are classified as follows:

For the year ended March 31, 2026

(₹ in million)			
Particulars	Long term borrowings*	Short term borrowings	Total
As at April 1, 2025	1,605.09	679.42	2,284.51
Cash changes:			
- Proceeds	747.74	1,322.40	2,070.14
- Repayment	-	(1,827.50)	(1,827.50)
Other non-cash changes			
- Conversion of interest accrued into long term loan	91.98	-	91.98
- Conversion of interest accrued into short term loan	-	17.46	17.46
- Interest on financial liability component of compound financial instruments	14.58	-	14.58
As at March 31, 2026	2,459.39	191.78	2,651.17

*including current maturities of long term borrowings

For the year ended March 31, 2025

(₹ in million)			
Particulars	Long term borrowings*	Short term borrowings	Total
As at April 1, 2024	1,248.67	-	1,248.67
Cash changes:			
- Proceeds	393.29	679.42	1,072.71
- Repayment	(145.00)	-	(145.00)
Other non-cash changes			
- Conversion of interest accrued into long term loan	96.01	-	96.01
- Interest on financial liability component of compound financial instruments	12.12	-	12.12
As at March 31, 2025	1,605.09	679.42	2,284.51

*including current maturities of long term borrowings

- 47.** The Board of Directors of the Company and Panacea Biotec Pharma Limited ("PBPL") had in their respective meetings held on February 01, 2022, approved sale of PBPL's pharmaceutical formulations brands in India and Nepal including related trademarks, copyrights etc., including identified employees to Mankind Pharma Limited (the "Buyer") for a consideration of ₹18,720.00 million plus applicable taxes. The said transaction was approved by the shareholders of PBPL and the Company in their respective meetings held on February 23, 2022 and February 26, 2022, respectively. Subsequently, the Company and PBPL signed definitive agreements including the asset purchase agreement with the Buyer on February 28, 2022. Out of the total consideration, PBPL has recognised revenue of ₹109.25 million (March 31, 2025: ₹359.94 million) which is shown as an "Exceptional Item" in the Statement of Profit and Loss of PBPL and Consolidated Statement of Profit and Loss of the Group. The remaining consideration of ₹101.80 million (March 31, 2025: ₹211.05 million) would be recognised as revenue in subsequent years and is shown as Contract Liability in the financial statements of PBPL and consolidated financial statements of the Group. Further, revenue of ₹85.71 million (year ended March 31, 2025: ₹ Nil) is also shown as "Exceptional item" pursuant to the settlement agreement dated July 09, 2025 executed with Apotex Inc. USA ("Apotex") to settle the ongoing dispute between Apotex and the Company & PBPL.

Notes to the Standalone Financial Statements for the year ended March 31, 2026

48. For the financial year ended March 31, 2026, the Company has incurred loss (including other comprehensive income) of ₹287.60 million (year ended March 31, 2025: loss of ₹151.74 million) and as on March 31, 2026, the retained earnings of the Company are negative to the extent of ₹2,178.43 million (March 31, 2025: ₹1,890.83 million). The aforesaid conditions indicate the existence of uncertainty that may create doubt about the Company's ability to continue as a going concern. However, the retained earnings of the Group are positive to the extent of ₹7,760.55 million (March 31, 2025: ₹7,799.13 million). The surplus funds remaining with the Group out of the sales of pharmaceutical formulations brands in India and Nepal in March 2022 have helped in strengthening the working capital position, setting up new facilities for enhancement of capacities for manufacturing of vaccines drug substance, scaling up Group's nutrition and pharmaceutical formulations business and pursuing other business opportunities. The Company has already received higher long-term awards from United Nations International Children's Fund (UNICEF) and Pan American Health Organisation (PAHO) for supply of pentavalent vaccine and awards from UNICEF for supply of bivalent oral polio vaccine. Based on these measures and continuous efforts to improve the business performance, the management has prepared the financial statements on going concern basis.
49. (a) In view of the Company's decision to make the structure of overseas subsidiaries more efficient and aligned to business objectives and to save management and administrative expenses thereof, the Company has decided to wind up Panacea Biotec (International) SA ("PBS") in due course. Accordingly, the Company has created provision for impairment on its investment in PBS. Owing to accumulated losses in PBS and its wholly owned subsidiary, Panacea Biotec Germany GmbH ("PBG"), the Company has continued to maintain the provision for bad and doubtful advances in respect of the loans receivable and accrued interest from PBS and PBGG amounting to ₹156.92 million and ₹518.07 million, respectively, as on March 31, 2026 (March 31, 2025: ₹139.00 million and ₹458.90 million, respectively).
- (b) The Company has applied with the authorized dealer bank to seek permission from Reserve Bank of India for writing off an amount of ₹585.16 million which was receivable from the Company's wholly owned subsidiary Rees Investments Ltd. ("Rees"), which was compulsorily liquidated and dissolved by the authorities of Guernsey on May 23, 2019. Pending such approval, the Company is continuing to maintain the provision for bad and doubtful advances of ₹585.16 million (March 31, 2025: ₹585.16 million) in respect of the loan and accrued interest receivable from Rees.
50. Under the collaboration with the Human Vaccine Limited Liability Company, Russia ("HV"), an indirect wholly owned subsidiary of Joint Stock Company "Management Company of Russian Direct Investment Fund" for manufacture of Covid-19 vaccine using the technology to be provided by HV, the Company had received from HV an advance amount of US\$ 7.00 million in November 2020, out of which ~US\$ 6.58 million was used to meet the revenue expenses relating to Sputnik-V and Sputnik Light vaccine project. The Company believes that due to the failure on the part of HV to demonstrate & transfer the technology and certain other reasons beyond the Company's control, the complex process of technology transfer and manufacture of Sputnik-V vaccine could not be completed successfully and the Technology Transfer Agreement dated October 22, 2020 entered into between HV and the Company ("TTA") for manufacturing of Covid-19 vaccine stood frustrated and accordingly both the parties stood automatically discharged from their obligations by operation of law. The Company is thus entitled to adjust the same against the advance received from HV. The Company has already conveyed its position to HV and has offered to refund the balance amount of US\$ 0.42 million and provided relevant details / documents pertaining to the said expenses. On July 1, 2024, the Company received a copy of Request for Arbitration filed by HV with London Court of International Arbitration ("LCIA") for initiating arbitration alleging that the Company has been in alleged breach of its obligations under the TTA and is thus liable to refund the advance payment of US\$7.00 million plus interest thereon as may be awarded over the course of arbitration. Both parties have appointed the sole arbitrator in this matter. The Company is taking requisite steps to safeguard its interest and has filed its response along with witness statements and counter claims against HV. Further arbitration proceedings, including cross examinations etc. shall be completed in due course. Based on the Company's assessment, duly supported by legal advice, the Company believes that it will not be liable to pay back the amount adjusted towards wasted expenses and costs under dispute with HV and the outcome of this arbitration proceeding is not reasonably expected to have any material financial impact on the Company.
51. In August 2021, the Company had entered into a Licensing and Manufacture Agreement with HV, Generium JSC and Dr. Reddy's Laboratories Limited ("DRL"). As per the terms of the agreement, the Company was to undertake fill-and-finish activities of Sputnik-V vaccine using the ready-to-fill drug substance supplied by Generium and supply the Sputnik-V vaccine so produced to DRL. Pursuant to the said agreement, the Company received drug substance from Generium and produced ~1.96 million doses of Sputnik-V vaccine out of which DRL purchased ~0.86 million doses only and refused to purchase and pay for the remaining ~1.10 million doses. Because of breach of their respective obligations by DRL and Generium, the pending payment of ~US\$ 7.41 million for the drug substance received from Generium could not be made. After several rounds of discussion among the parties to settle the dispute amicably, Generium has filed notice of arbitration with Singapore International Arbitration Centre (SIAC) for arbitration of dispute with respect to the said pending payment and interest thereon totalling ~US\$ 8.90 million. The Company has also initiated a parallel arbitration proceeding regarding its claims against DRL, Generium and Human Vaccine and filed notice of arbitration with SIAC during the financial year 2023-24. At the Company's request, SIAC has clubbed both the arbitration proceedings together. The parties have appointed sole arbitrator. All the parties involved in the Arbitration have filed claims and counter claims against each other. The witness statements, cross examination and closing submissions have been completed and the arbitration award is now awaited. The Company has obtained legal opinion from its legal counsel who, have opined that (a) the Company has a reasonable defence against the claims brought by Generium, DRL and HV; and (b) the possibility of any such claim falling to the Company may be classified as low at this stage.
52. Additional regulatory information required by Schedule III under Companies Act 2013:
- (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 does not have any transactions with stuck off companies.
 - (iii) The Company does not have any charges or satisfaction of charge which is yet to be registered with Registrar of Companies beyond the statutory period.
 - (iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
 - (v) The Company has not advanced or loaned to, or invested funds in, any other person(s) or entity(ies), including foreign entities (Intermediaries)

Notes to the Standalone Financial Statements for the year ended March 31, 2026

with the understanding that the Intermediary shall:

- directly or indirectly lend to, 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 to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any funds from any other person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend to, or invest in, other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party or
 - provide any guarantee, security or the like to or on behalf of the Funding Party.
- (vii) The Company has not entered into any transaction which is not recorded into the books of accounts that has been surrendered or disclosed as income during the 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).
- (viii) The Company has not been declared a 'Wilful Defaulter' by any bank or financial institution or government or any government authority.
- (ix) The Company has complied with the number of layers prescribed under Section 2(87) of the Act read with the Companies (Restriction on Number of Layers) Rules, 2017.
- (x) No scheme of arrangements has been approved by the Competent Authority in term of Sections 230 to 237 of the Companies Act, 2013, during the year and previous year.
- (xi) The Company does not have any borrowings from banks or financial institutions against security of its current assets.
- (xii) The title deeds of the immovable properties owned by the Company are held in the name of Company.

53. Analytical Ratios are as follows:

Ratio	Numerator	Denominator	Financial Year		Variance in (%)
			2025-26	2024-25	
Current Ratio ^a	Total current Assets	Total current liabilities	1.00	0.92	7.8%
Debt equity ratio ^b	Borrowings and accrued	Total equity	1.00	0.76	30.5%
Debt service coverage ratio ^c	Earnings for Debt service	Debt Service	(0.18)	0.10	-283.9%
Return on equity ratio ^d	Net Profits after Taxes	Average Shareholder's Equity	(0.10)	(0.05)	110.8%
Inventory turnover ratio ^a	Cost for goods sold	Average Inventory	1.52	0.79	91.9%
Trade receivables turnover ratio ^a	Net Revenue	Average Trade Receivables	16.05	19.41	-17.3%
Trade payables turnover ratio ^e	Net credit purchases	Average Trade Payables	1.27	1.02	23.6%
Net capital turnover ratio (in times) ^f	Net Revenue	Average working capital	(30.52)	(11.75)	159.8%
Net profit ratio (%) ^d	Profit for the year	Net Revenue	(0.07)	(0.05)	47.2%
Return on capital employed (%) ^d	Profit before tax and finance cost	Tangible Networth + Total Debt	(0.04)	(0.01)	323.4%
Return on Investment (%)	Income from invested funds	Average invested funds in treasury investments	NIL	NIL	NIL

Notes:

- a. no significant change (25% or more) in financial year 2025-26 in comparison to financial year 2024-25
- b. due to increase in unsecured borrowings and losses
- c. due to lower operating profits & increased interest cost
- d. due to lower net operating profit
- e. due to increased cost of goods sold
- f. due to negative average working capital

54. On November 21, 2025, the Government of India notified provisions of 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 ('Labour Codes') which consolidate 29 (twenty-nine) existing labour laws into a unified framework governing employee benefit during employment and post-employment. The Labour Codes, amongst other things, introduces changes including a uniform definition of wages. The incremental impact of these changes, assessed by the Company, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, has been accounted for accordingly. Once Central / State Rules are notified by the Government upon all the aspects of the Labour Codes, the Company shall evaluate additional impact, if any, on the measurement of employee benefits and would provide appropriate accounting effect.

55. In October 2023, the Company received notice from the International Court of Arbitration, Paris ("ICC") intimating commencement of an Arbitration proceeding pursuant to the request filed by Apotex Inc., claiming an amount of US\$ 118.14 million towards outsized alleged losses plus interest thereon under the Collaboration Agreement dated May 09, 2014 entered into between Apotex Inc. and the Company. The said agreement was subsequently assigned and novated in favour of Panacea Biotec Pharma Limited ("PBPL") wholly owned subsidiary of the Company. The Company submitted its response to the notice of arbitration rebutting the claims raised by Apotex citing novation of the said agreement in favour of PBPL. Apotex subsequently filed request for joinder of PBPL in the said arbitration proceedings, raising the claim against the Company and PBPL aggregating to US\$163.24 million, which was objected by the Company and PBPL. The management believed that the Company and / or PBPL is not in breach of its obligations and the claims filed by Apotex are frivolous, unsubstantiated, premised on fundamental factual misstatements and incorrect legal assumptions regarding the Collaboration

Notes to the Standalone Financial Statements for the year ended March 31, 2026

Agreement and contrary to the overwhelming facts and evidence. Both sides appointed their respective arbitrators, and these arbitrators nominated the third arbitrator as the chairman of the arbitration tribunal. PBPL also filed a request for arbitration before ICC with respect to dispute with Apotex raising a claim of US\$ 9.90 million towards PBPL's share of profit from sale of authorized generic products sold by Apotex during financial year 2022-23 in USA under the terms of the said Collaboration Agreement and the settlement agreement signed among the Parties including the innovator company. ICC combined the two arbitrations proceedings and thereafter the initial arbitration proceedings were started. During financial year 2025-26, both the parties have executed a Settlement Agreement dated July 3, 2025 recording full and final settlement of the disputes forming part of the arbitration. Pursuant to the settlement Apotex has inter-alia, agreed to pay US\$ 5.0 million in 2 tranches (US\$ 2.5 million within 30 days and US\$ 2.5 million upon receipt of final USFDA approval of the ANDA). The Arbitration Tribunal has made the Consent Award on September 12, 2025 in this regard.

- 56.** The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

Management has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.

Further, the audit trail feature has not been tampered with during the year and the audit trail, to the extent maintained in the prior years, has been preserved by the Company as per the statutory requirements for the record retention.

- 57.** In accordance with Ind AS 108, 'Operating Segments', the Company has disclosed the segment information in the consolidated financial statements. Accordingly, the segment information is given in the audited consolidated financial statements of the Group for the year ended March 31, 2026.
- 58.** 0.00 under "₹ in million" represents amount less than ₹50,000 and 0.00 under units represents units less than 50,000. Further, the figures shown in the tables may not exactly add up due to rounding off. Previous year figures have been regrouped, reclassified wherever considered necessary. The impact of such reclassification/regrouping is not material to the financial statements.

- 59.** There are no other subsequent events that occurred after reporting date.

The above notes form an integral part of the standalone financial statements.

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants

Sd/-
Kapil Kedar
Partner
Membership No. 094902

For and on behalf of Board of Directors of Panacea Biotec Limited

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director
(DIN 00013053)

Sd/-
Sandeep Jain
Joint Managing Director
(DIN 00012973)

Sd/-
Vinod Goel
Group CFO and Head Legal &
Corporate Governance

Sd/-
Amit Gupta
General Manager
Accounts & Taxation

Sd/-
Ankit Jain
General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

FORM NO. AOC-1

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

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part A : Subsidiaries

Financial Details of Subsidiary Companies

(₹ in million)																
S. No.	Name of the Company	Date of Incorporation / Acquisition	Reporting period of the subsidiary, if different from parent	Reporting currency	Exchange rate as on Balance Sheet date	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of investment (except in case of investment in subsidiary)	Turnover (including other income)	Profit/ (Loss) before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Share Holding as on March 31, 2025
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1.	Panacea Biotech Pharma Limited	22.03.2019	31.03.2026	₹	1.00	1.00	5,005.05	6,162.58	1,156.53	100.33	2,562.01	338.80	106.23	232.57	-	100%
2.	Meyten Realtech Pvt. Ltd.	12.04.2019	31.03.2026	₹	1.00	4.88	297.42	341.91	39.61	-	3.48	(2.21)	(0.56)	(1.65)	-	100%
3.	Panacea Biotec (International) SA	19.02.2009	31.03.2026	CHF	117.44	70.46	(320.47)	27.36	277.37	-	7.22	(12.40)	0.02	(12.43)	-	100%
4.	Panacea Biotec Germany GmbH*	12.08.2010	31.03.2026	Euro	107.81	26.52	(344.48)	502.14	820.10	-	154.72	(54.43)	-	(54.43)	-	100%
5.	Panacea Biotec Inc.**	09.04.2024	31.03.2026	US\$	93.99	93.99	(43.87)	50.35	0.23	-	2.67	(23.94)	-	(23.94)	-	100%

*Indirect subsidiary through Panacea Biotec (International) SA.

**Indirect subsidiary through Panacea Biotech Pharma Limited.

Part B: Associates and Joint Ventures :

(₹ in million)																
S. No.	Name of the Company	Date of Incorporation / Acquisition	Reporting period of the associate / joint venture, if different from parent	Reporting currency	Exchange rate as on Balance Sheet date	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of investment (except in case of investment in subsidiary)	Turnover (including other income)	Profit/ (Loss) before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Share Holding as on March 31, 2025
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	PanEra Biotech Private Limited*	26.11.1999	31.03.2026	₹	1.00	8.40	(112.39)	7.69	111.68	-	0.03	(35.61)	0.01	(35.62)	-	50%
2	Adveta Power Private Limited*	04.07.2011	31.03.2026	₹	1.00	1.80	(31.35)	0.14	29.69	-	-	(0.20)	-	(0.20)	-	50%

* Considered as a subsidiary for the purpose of consolidation as per Ind AS 110.

For and on behalf of Board of Directors of Panacea Biotech Limited

Sd/-

Dr. Rajesh Jain

Chairman and Managing Director
(DIN 00013053)

Sd/-

Sandeep Jain

Joint Managing Director
(DIN 00012973)

Sd/-

Vinod Goel

Group CFO and Head Legal &
Corporate Governance

Sd/-

Amit Gupta

General Manager
Accounts & Taxation

Sd/-

Ankit Jain

General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

Independent Auditor's Report on the Consolidated Financial Statements

To the Members of Panacea Biotech Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Panacea Biotech Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as listed in Annexure A, which comprise the consolidated balance sheet as at March 31, 2026, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of 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 ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2026, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity 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 specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
A. Revenue recognition Refer note 1.4(j) and note 27 of notes to the Consolidated financial statements and other explanatory information of the Group for the year ended March 31, 2026. The Group recognises revenue from the sales of products when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered with customers. The Group has a large number of customers operating in various geographies and the sales contracts / arrangements with various customers have distinct commercial terms, including Incoterms that determine the timing of transfer of control and it requires significant judgment in determining timing of revenue recognition as per Ind AS 115 - Revenue from Contracts with Customers. We have identified the recognition of revenue from sale of products as a key audit matter because revenue is a key performance indicator for the Group and there is risk of revenue being overstated due to the pressure to achieve targets or earning expectations.	Our audit procedures to address this key audit matter included, but were not limited to the following: a) Obtained an understanding of the Group process of revenue recognition and read customer contracts on sample basis; b) Evaluated the design, tested the operating effectiveness of the Group internal controls over recognition and measurement of revenue in accordance with underlying customer contracts and accounting policies; c) Performed substantive testing (including year-end cut off testing) by selecting samples of revenue transactions recorded during and after the year and verified the underlying documents, which included sales invoices / contracts and dispatch / shipping documents; d) Obtained direct balance confirmations from customers on a sample basis as at the year-end or performed alternate audit procedures where such confirmations could not be obtained; and e) Assessed the appropriateness and adequacy of the related disclosures in the Consolidated financial statements of the Group in accordance with Ind AS 115.

Independent Auditor's Report on the Consolidated Financial Statements

Key audit matter	How our audit addressed the key audit matter
B. Assessment of impairment of Property, plant and equipment The Group considers its property, plant and equipment (PPE) as a single cash generating unit (CGU). As at March 31, 2026, the carrying value of Group PPE aggregates to ₹5,687.67 million. These balances have been subject to a test of impairment by the management in accordance with Ind AS 36 "Impairment of Assets" (Ind AS 36) in the current year as the management have identified impairment indicators as explained in note 2.1(ii) to the accompanying Consolidated financial statements. Refer note 1.4(f) and 2.1(ii) to the accompanying Consolidated financial statements. The Group has engaged independent third-party valuer to arrive at the value in use of the CGU as per discounted cash flow method and to arrive at the fair value based on market approach method. Based on the report issued by such valuer, the recoverable value of the CGU being higher than its carrying value, the Group has concluded that no impairment provision needs to be recorded in the Consolidated financial statements as at March 31, 2026. In addition to significance of the amounts, management's assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the recoverable amounts involved in forecasting cash flows for the CGU, principally relating to budgeted revenue, operating margins, short-term and long term growth rates and the discount rates used. Considering the materiality of the amounts involved, significant judgment and high estimation uncertainty in determining the recoverable value of such PPE and such estimates and judgements being inherently subjective, this matter is determined as a key audit matter for the current year audit.	Our audit procedures to address this key audit matter included, but were not limited to the following: - Obtained an understanding of the management's process for identification of impairment indicators for Property, plant and equipment and process for identification of CGU and impairment testing of such assets; - Evaluated the Group accounting policy in respect of impairment assessment, and the methods and models used to determine the recoverable amounts of property, plant and equipment in accordance with the requirements of Ind AS 36, - Tested the design and operating effectiveness of internal controls over such identification and impairment measurement of identified assets; - Evaluated management's identification of CGU and obtained the impairment assessment workings prepared by the management and its experts for such CGU; - Involved auditor's experts to assess the appropriateness of the valuation methodologies used by the management and its expert to determine the recoverable values; - Evaluated the objectivity, competence and independence of the experts engaged by the Group, wherever applicable, and examined the valuation reports issued by such experts; - Reconciled the cash flows to the business plans approved by the Board of Directors of the Group which constitute identified CGU; - Evaluated and challenged the reasonableness of key inputs and assumptions such as implied budgeted revenue, operating margins, growth rates and discount rates for their appropriateness based on our understanding of the business of the respective CGU, past results and external factors such as industry trends and forecasts. - Obtained and evaluated sensitivity analysis performed by the management on the key assumptions and performed independent sensitivity analysis of the key assumptions to assess the effect of reasonably possible variations on the estimated recoverable amounts for the CGU to evaluate sufficiency of headroom between recoverable values and carrying amounts. - Compared the carrying value of the net assets with the estimated recoverable value to calculate the impairment loss to be recognised, if any; and - Evaluated the adequacy of disclosures given in the Consolidated financial statements with respect to Property, plant, and equipment, including disclosure of significant assumptions, judgements and sensitivity analysis performed, in accordance with applicable accounting standards.
C. Contingencies, including litigations Refer note 1.4(s) and note 39 to the Consolidated financial statements. The Group is involved in disputes, lawsuits, claims, Governmental and / or regulatory inspections, inquiries, investigations and proceedings, including patent and commercial matters that arise from time to time in the ordinary course of business. The Group assesses the need to make provision or to disclose contingent liability on a case-to-case basis considering the underlying facts of each litigation. The eventual outcome of the litigations is uncertain and estimation at balance sheet date involves extensive judgement of management including input from legal counsel due to complexity of each litigation. Adverse outcomes could significantly impact on the Group reported results and balance sheet position. Considering the significant judgement involved in determining the need to make a provision or disclose as contingent liability, the matter is considered as key audit matter.	Our audit procedures to address this key audit matter included, but were not limited to the following: - We evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of litigations, the recording / reassessment of the related liabilities, provisions and disclosures. - Obtained a list of litigations from the Group in-house legal counsel; identified material litigations from the aforementioned list and performed inquiries with the said counsel; obtained and read the underlying documents to assess the assumptions used by management in arriving at the conclusions. - We also evaluated the Group analysis of its assessment of the probability of outcome for each material contingency through inspection of responses to inquiry letters sent to external legal counsel, discussions with internal counsel, as well as external legal counsel, as deemed necessary, to confirm our understanding of the allegations and potential outcomes and obtaining written representations from executives of the Group. - Verified the disclosures related to provisions and contingent liabilities in the Consolidated financial statements to assess consistency with underlying documents.

Independent Auditor's Report on the Consolidated Financial Statements

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard as other information as stated above is expected to be made available to us after the date of this Auditor's Report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of 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 Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report on the Consolidated Financial Statements

- Conclude on the appropriateness of management and Board of Director 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 auditors' 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 of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements of five subsidiaries (including 1 step down subsidiary) included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹890 million as at March 31, 2026, total revenues of ₹137 million, total net (loss) after tax and total comprehensive loss of ₹114 million, and net cash inflows of ₹62 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.
- We did not audit the financial statements of 1 step down subsidiary included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹27 million as at March 31, 2026, total revenues of ₹ Nil, total net (loss) after tax and total comprehensive loss of ₹11 million, and net cash inflows of ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements have not been audited by other auditor whose financial Statements 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 this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary are based solely based on unaudited financial statements.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and other information of the subsidiary companies, we have given in the "Annexure-B" a statement on the matters specified in paragraphs 3(xxi) of the Order.
- 2) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matters' paragraph, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors, except for the matter stated in Paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

Independent Auditor's Report on the Consolidated Financial Statements

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries, and taken on record by the Board of Directors of the Holding Company and its respective subsidiaries, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Group companies are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure C" to this report wherein we have expressed an unmodified opinion.
- (h) As required by Section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred in separate financial statements of the subsidiaries, we report that the Holding Company and one subsidiary incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to three subsidiaries incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under Section 2(71) of the Act.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India, as noted in the 'Other matters' paragraph:
 - (i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group as detailed in note 39 to the consolidated financial statements;
 - (ii) The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2025;
 - (iii) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2026.
- (iv) (A) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in note 58 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 or any of such subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (B) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in note 58(vi) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any persons or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, 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; and

Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (A) and (B) above contain any material misstatement

Independent Auditor's Report on the Consolidated Financial Statements

(v) The Holding Company and its subsidiaries have not declared or paid any dividend during the year ended March 31, 2026.

(vi) As stated in note 60 to the consolidated financial statements, based on our examination which included test checks performed by us on the Holding Company & its subsidiary and by the respective auditors of the other subsidiaries of the Holding Company, which incorporated in India and audited under the Act, the Holding Company and above mentioned subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except the audit trail feature was not enabled at the database level for an accounting software to log any direct data changes, used for maintenance of all accounting records of the Holding Company and above mentioned subsidiaries.

Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail of relevant prior years has been preserved by the Holding Company and the above referred subsidiaries in accordance with statutory record retention requirements to the extent it was enabled and recorded in those respective years.

For **Suresh Surana & Associates LLP**

Chartered Accountants
Firm's Registration No. 121750W/W100010

Sd/-

Kapil Kedar

Partner

Membership No. 094902

UDIN: 26094902GOBFDV9588

Place: New Delhi
Date : May 30, 2026

Annexure A

List of entities included in the consolidated financial statements for the year ended March 31, 2026

Name of the Entity	Nature of Relationship
Panacea Biotech Limited	Holding Company
Panacea Biotech Pharma Limited	Subsidiary Company
Panacea Biotech (International) SA	Subsidiary Company
PanEra Biotech Private Limited	Subsidiary Company
Meyten Realtech Private Limited	Subsidiary Company
Adveta Power Private Limited	Subsidiary Company
Panacea Biotech Germany GmbH	Subsidiary of Panacea Biotech (International) SA
Panacea Biotech Inc.	Subsidiary of Panacea Biotech Pharma Limited (incorporated on April 09, 2024)

For **Suresh Surana & Associates LLP**

Chartered Accountants
Firm's Registration No. 121750W/W100010

Sd/-

Kapil Kedar

Partner

Membership No. 094902

UDIN: 26094902GOBFDV9588

Place: New Delhi
Date : May 30, 2026

Independent Auditor's Report on the Consolidated Financial Statements

Annexure B

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are below:

S. No.	Name	CIN	Holding Company / Subsidiary	Clause number of CARO report which is qualified or is adverse
1	Panacea Biotech Limited	L33117PB1984PLC022350	Holding Company	Clause: vii(b), (ix)(a) & (xix)
2	Panacea Biotech Pharma Limited	U24299DL2019PLC347566	Subsidiary Company	Clause vii(b)

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Registration No. 121750W/W100010

Sd/-
Kapil Kedar
Partner

Membership No. 094902
UDIN: 26094902GOBFDV9588

Place: New Delhi
Date : May 30, 2026

Annexure C

(Referred to in paragraph 1 (f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Independent Auditor's Report on the internal financial controls with reference to the consolidated financial statements under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of Panacea Biotech Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Independent Auditor's Report on the Consolidated Financial Statements

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

We did not audit the internal financial controls with reference to financial statements insofar as it relates to 3 subsidiary companies, which are companies covered under the Act, whose financial statements for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

Our opinion is not modified in respect of the above matter.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration No. 121750W/W100010

Sd/-
Kapil Kedar
Partner

Membership No. 094902
UDIN: 26094902GOBFDV9588

Place: Noida
Date : May 30, 2026

Consolidated Balance Sheet as at March 31, 2026

(₹ in million)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
a) Property, plant and equipment	2.1	5,532.66	5,433.91
b) Capital work-in-progress	2.2	999.71	935.13
c) Investment property	2.3	155.01	157.97
d) Other intangible assets	2.4	67.68	77.24
e) Intangible assets under development	2.5	441.22	345.38
f) Financial assets			
(i) Investments	3	0.70	0.70
(ii) Other financial assets	4	119.55	60.80
g) Income tax assets (net)	5	162.51	82.28
h) Other non-current assets	6	12.24	39.31
Total non-current assets		<u>7,491.28</u>	<u>7,132.72</u>
Current assets			
a) Inventories	7	1,927.89	2,136.71
b) Financial assets			
(i) Investments	8	100.33	31.53
(ii) Trade receivables	9	735.23	725.57
(iii) Cash and cash equivalents	10	573.07	821.25
(iv) Bank balances other than cash and cash equivalents	11	70.64	248.42
(v) Loans	12	19.40	25.67
(vi) Other financial assets	13	602.62	690.03
c) Other current assets	14	1,101.31	1,085.56
Total current assets		<u>5,130.49</u>	<u>5,764.74</u>
Total assets		<u>12,621.77</u>	<u>12,897.46</u>
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	15	61.25	61.25
b) Other equity	16	8,287.10	8,286.61
Equity attributable to owners of Holding Company		<u>8,348.35</u>	<u>8,347.86</u>
Non-controlling interest		<u>(59.56)</u>	<u>(41.70)</u>
Total equity		<u>8,288.79</u>	<u>8,306.16</u>
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	17	236.64	222.06
(ii) Other financial liability	18	4.57	4.57
b) Provisions	19	366.11	353.40
c) Deferred tax liabilities (net)	20	231.41	232.82
d) Other non-current liabilities	21	7.32	108.52
Total non-current liabilities		<u>846.05</u>	<u>921.37</u>
Current liabilities			
a) Financial liabilities			
(i) Trade payables	22		
- Total outstanding dues of micro enterprises and small enterprises		222.17	141.79
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,673.88	2,115.77
(ii) Other financial liabilities	23	100.45	93.80
b) Other current liabilities	24	1,075.33	954.89
c) Provisions	25	394.79	363.60
d) Current tax liabilities (net)	26	20.31	0.08
Total current liabilities		<u>3,486.93</u>	<u>3,669.93</u>
Total equity and liabilities		<u>12,621.77</u>	<u>12,897.46</u>

The accompanying notes form an integral part of these consolidated financial statements.

As per report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Sd/-
Kapil Kedar
Partner
Membership No. 094902

For and on behalf of Board of Directors of Panacea Biotec Limited

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director
(DIN 00013053)

Sd/-
Sandeep Jain
Joint Managing Director
(DIN 00012973)

Sd/-
Vinod Goel
Group CFO and Head Legal &
Corporate Governance

Sd/-
Amit Gupta
General Manager
Accounts & Taxation

Sd/-
Ankit Jain
General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

Consolidated Statement of Profit and Loss for the year ended March 31, 2026

(₹ in million)			
Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	27	6,397.74	5,590.94
Other income	28	169.00	206.60
Total income		6,566.74	5,797.54
Expenses			
Cost of materials consumed	29	2,902.44	2,140.73
Purchases of traded goods	30	89.73	75.98
Changes in inventories of finished goods, traded goods and work-in-progress	31	(187.34)	(221.34)
Employee benefits expense	32	1,807.80	1,730.51
Finance costs	33	60.45	38.76
Depreciation and amortisation expense	34	330.60	348.14
Other expenses	35	1,831.71	2,124.18
Total expenses		6,835.39	6,236.96
Profit / (loss) before exceptional items and tax		(268.65)	(439.42)
Exceptional items	36	194.96	359.94
Profit / (loss) before tax		(73.69)	(79.48)
Tax expense	37		
Current tax		4.34	0.14
Deferred tax		(6.40)	7.57
Total tax expense		(2.06)	7.71
Profit / (loss) for the year		(71.63)	(87.19)
Other comprehensive income / (loss)			
A. Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit plans		20.30	(0.80)
Income tax effect on above		(5.11)	0.20
B. Items that will be reclassified to profit or loss:			
Foreign currency translation reserve		39.07	11.70
Other comprehensive income / (loss)		54.26	11.10
Total comprehensive income / (loss) for the year		(17.37)	(76.09)
Profit / (loss) for the year attributable to:			
Owners of Parent		(53.77)	(83.70)
Non-controlling interest	51	(17.86)	(3.49)
Other comprehensive income / (loss) for the year attributable to:			
Owners of Parent		54.26	11.10
Non-controlling interest	51	-	-
Total comprehensive income / (loss) for the year attributable to:			
Owners of Parent		0.49	(72.60)
Non-controlling interest	51	(17.86)	(3.49)
Earning / (loss) per equity share - basic and diluted (face value of ₹1 each) (in ₹)	38	(0.88)	(1.37)

The accompanying notes form an integral part of these consolidated financial statements.
As per report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Sd/-
Kapil Kedar
Partner
Membership No. 094902

For and on behalf of Board of Directors of Panacea Biotec Limited

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director
(DIN 00013053)

Sd/-
Sandeep Jain
Joint Managing Director
(DIN 00012973)

Sd/-
Vinod Goel
Group CFO and Head Legal &
Corporate Governance

Sd/-
Amit Gupta
General Manager
Accounts & Taxation

Sd/-
Ankit Jain
General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

Consolidated Statement of Cash Flow for the year ended March 31, 2026

(₹ in million)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities			
Profit / (Loss) before tax from:		(73.48)	(79.48)
Adjustment for:			
Depreciation and amortisation expense	34	330.60	348.14
Finance costs	33	60.45	38.76
Allowance for expected credit loss and doubtful advances	35	35.18	12.50
Property, plant and equipment / capital work in progress Impaired / written off		1.28	13.95
Interest income	28	(41.60)	(77.08)
Lease rental income	28	(20.37)	(18.34)
Loss / (Gain) on sale / disposal of property, plant and equipment and intangible assets (net)		-	(4.46)
Excess provisions and other balances written back	28	(49.06)	(36.11)
Realized / Unrealized foreign exchange (gain) / loss (net)		53.25	7.62
Dividend income	28	-	(0.04)
Fair value gain on investment in mutual funds	28	(9.45)	(24.50)
Bad Debts and advances written off	35	-	0.79
Exceptional items	36	(194.96)	(359.94)
Operating profit / (loss) before working capital changes		91.63	(178.19)
Changes in working capital			
Inventories		208.82	(357.36)
Trade receivables		12.82	(158.42)
Loans and other assets		107.30	(500.00)
Provisions and other liabilities		(189.17)	929.97
Cash generated from / (used in) operating activities		231.40	(264.00)
Income tax net (paid)		(64.46)	(9.69)
Net cash generated from / (used in) operating activities (A)		166.94	(273.69)
B. Cash flow from investing activities			
Payment for property, plant and equipment and intangible assets (including Capital work in progress, intangible under development and capital advances) (net)		(540.89)	(503.05)
Proceeds from sale of property, plant and equipment		-	5.75
Income from investments		9.23	22.38
Lease rental income		20.37	18.34
Interest received		41.60	77.08
Dividend income		-	0.04
Investment made in mutual funds		(2,395.00)	(1,515.00)
Redemption of investments in mutual funds		2,326.42	1,889.20
Redemption of bank deposits having original maturity of more than three months		1,210.42	1,304.31
Investments in bank deposits having original maturity of more than three months		(1,077.10)	(649.21)
Net cash generated from / (used in) investing activities (B)		(404.95)	649.84
C. Cash flow from financing activities			
Proceeds from Grant-CEPI		33.67	
Interest paid		(44.23)	(26.64)
Net cash generated from / (used in) financing activities (C)		(10.56)	(26.64)
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)		(248.57)	349.51
Cash and cash equivalents at the beginning of the year		821.25	471.74
Effect of exchange rate changes on cash and cash equivalent held in foreign currency		0.39	0.00
Cash and cash equivalents at the end of the year		573.07	821.25
Cash and cash equivalents:			
Balances with banks			
- in current accounts		561.51	507.49
- in exchange earners' foreign currency accounts		11.15	3.77
Cash on hand		0.41	0.59
Deposits with original maturity upto 3 months		-	309.40
Total		573.07	821.25

Note: The Consolidated Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

The accompanying notes form an integral part of these consolidated financial statements.

As per report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

For and on behalf of Board of Directors of Panacea Biotech Limited

Sd/-
Kapil Kedar
Partner
Membership No. 094902

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director
(DIN 00013053)

Sd/-
Sandeep Jain
Joint Managing Director
(DIN 00012973)

Sd/-
Vinod Goel
Group CFO and Head Legal &
Corporate Governance

Sd/-
Amit Gupta
General Manager
Accounts & Taxation

Sd/-
Ankit Jain
General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

Consolidated Statement of Changes in Equity for the year ended March 31, 2026

A. Equity share capital

Particulars	(₹ in million)
Opening Balance as at April 1, 2024	61.25
Changes during the year	-
Closing balance as at March 31, 2025	61.25
Changes during the year	-
Closing balance as at March 31, 2026	61.25

Note: Refer note 15 for share capital details

B. Other equity

Particulars	(₹ in million)								Total Other Equity	Non controlling interests
	Equity component of compound financial instruments	Securities premium reserve	Capital redemption reserve	General reserve	Capital reserve	Retained earnings	Other comprehensive income	Foreign currency translation		
Balance as at April 1, 2024	216.54	919.40	1,022.34	794.99	(2,534.71)	7,883.43	57.22		8,359.21	(38.21)
Profit / (loss) for the year	-	-	-	-	-	(83.70)	-		(83.70)	(3.49)
Other comprehensive income / (loss) for the year (net of taxes)	-	-	-	-	-	(0.60)	11.70		11.10	-
Total comprehensive income / (loss) for the year	-	-	-	-	-	(84.30)	11.70		(72.60)	(3.49)
Balance as at March 31, 2025	216.54	919.40	1,022.34	794.99	(2,534.71)	7,799.13	68.92		8,286.61	(41.70)
Balance as at April 1, 2025	216.54	919.40	1,022.34	794.99	(2,534.71)	7,799.13	68.92		8,286.61	(41.70)
Profit / (loss) for the year	-	-	-	-	-	(53.77)	-		(53.77)	(17.86)
Other comprehensive income / (loss) for the year (net of taxes)	-	-	-	-	-	15.19	39.07		54.26	-
Total comprehensive income / (loss) for the year	-	-	-	-	-	(38.58)	39.07		0.49	(17.86)
Balance as at March 31, 2026	216.54	919.40	1,022.34	794.99	(2,534.71)	7,760.55	107.99		8,287.10	(59.56)

Note: Refer note 16 for other equity details.

The accompanying notes form an integral part of these consolidated financial statements.
As per report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Sd/-
Kapil Kedar
Partner
Membership No. 094902

For and on behalf of Board of Directors of Panacea Biotec Limited

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director
(DIN 00013053)

Sd/-
Sandeep Jain
Joint Managing Director
(DIN 00012973)

Sd/-
Vinod Goel
Group CFO and Head Legal &
Corporate Governance

Sd/-
Amit Gupta
General Manager
Accounts & Taxation

Sd/-
Ankit Jain
General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

Summary of Material Accounting Policies

1. Corporate information

Panacea Biotec Limited (Corporate identification number: L33117PB1984PLC022350) ("the Holding Company") is a public company incorporated and domiciled in India. The Holding Company has its registered office at Ambala-Chandigarh Highway Lalru-140501, Punjab, India. The Holding Company's shares are listed with BSE Limited and National Stock Exchange of India Limited.

Holding Company Overview

The Holding Company is one of India's leading research based biotechnology companies engaged in the business of research, development, manufacture and marketing of branded vaccines, pharmaceutical formulations, nutraceuticals and food & nutrition products in India and international markets through itself and through its subsidiaries.

The Holding Company, its subsidiaries and its joint venture (jointly referred to as "the Group" herein under) were considered in these consolidated financial statements.

1.1 Basis of preparation

a. Statement of compliance

The consolidated financial statements ('Consolidated Financial Statements') of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended from time to time.

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. The Consolidated Financial Statements of the Group were approved by the Board of Directors on May 30, 2026.

b. Basis of measurement

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

1.2 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Profit/ (loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of March 31, 2026.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/ (loss) and each component of OCI are attributed to the equity holders of the parent company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

1.3 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions 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 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 financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed in note 1.4.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

1.4 Material accounting policies

The material accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the consolidated financial statements.

a) Current versus non-current classification

The Group has considered an operating cycle of 12 months for determining current and non-current classification of assets and liabilities in the balance sheet. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b) Inventories

Inventories are valued as follows:

Raw material, components, stores and spares: Raw materials (including packing materials), stores and spares are valued at lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress and finished goods: Work in progress and finished goods are valued at lower of cost or net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Traded goods: Traded goods are valued at lower of cost or net realisable value. Cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Provision for expired / slow-moving / non-moving inventories: The provision for inventories are created as follows:

Category	Description	Provision %
Expired Inventory	This includes all items of inventories where the shelf life thereof has expired as on the reporting date.	100%
Near Expiry Inventory	This includes all items of inventories which are nearing expiry within: 1 to 3 months from the reporting date 4 to 6 months from the reporting date	100% 50%
Inventory having no commercial value	This includes all items of inventories which have no commercial value, or which cannot be commercialized for any reason e.g. stability samples, control samples, development / exhibit batches, Reference listed drugs purchased for trials but remained unutilised etc.	100%
Slow moving / Non-moving inventory.	This includes all items of inventories where the movement is slow or there is no movement, however inventory items can be used in case of any need e.g. spares kept for machines, production or lab consumables with long shelf life etc. as under: - Inventories lying in stock for more than 1 year but less than 2 years from the reporting date - Inventories lying in stock for more than 2 years but less than 3 years from the reporting date - Inventories lying in stock for more than 3 years	25% 50% 100%
Good inventory	All other items of inventory which do not fall in any of the above categories will be considered as Good inventory	0%

Following are the exceptions:

- Provision in respect of any inventory item that is the subject matter of any legal dispute shall be created based on the legal opinion from the legal department.
- All exceptions will have to be approved by the Chief Financial Officer of the Holding Company.
- In case of inventory items on which provisions were made as per the policy however such items were subsequently consumed / utilised, then the provision made in respect of such an inventory shall be adjusted suitably.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

c) Property, plant and equipment

Recognition and initial measurement: All items of property, plant and equipment are initially measured at cost. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under non-current assets.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Subsequent measurement (depreciation and useful lives): Depreciation on property, plant and equipment is provided on the straight-line method arrived on the basis of the useful life prescribed under Schedule II of the Act. The following useful life of assets has been determined by the Group:

Particulars	Useful life
Building – Factory	30 years
Building – Non-factory	60 years
Plant and Equipment	15 years and 20 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computer equipment	3 years and 6 years

- i) Freehold land has an unlimited useful life and therefore is not depreciated.
- ii) Leasehold land is amortised over the period of lease.
- iii) Leasehold improvements are amortised over the initial period of lease or useful life, whichever is shorter.

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

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition: An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

d) Intangible assets

Recognition and initial measurement

Research and development costs: Expenditure on the research phase of projects is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Group can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- the management's intention is to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs not meeting these criteria for capitalisation are expensed as and when incurred.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs.

Other intangibles: Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets under development are not amortized as these assets are not yet available for use. These assets are evaluated for potential impairment on an annual basis or when there are indications that the carrying value is not recoverable.

Subsequent measurement (Amortisation and useful lives): All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortisation period
Patents, trademarks and designs	7 years
Product development	5 years
Technical know-how	5 years
Software	5 years
Websites	2 years

The amortization expense on intangible assets with finite life is recognised in the statement of profit and loss under the head depreciation and amortization expense.

De-recognition : Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e) Investment properties

Recognition and initial measurement: Investment properties are properties held to earn long term rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Holding Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Properties held under leases are classified as investment properties when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Subsequent measurement (depreciation and useful lives): Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the straight-line method over the lease period of the right-of-use assets.

Though, the Holding Company measures investment properties using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model acceptable internationally.

De-recognition: Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

f) Impairment of non-financial assets / Assets classified as held for sale

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax 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. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

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 (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or 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. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is 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 recognised.

During the current financial year, the Group has considered it appropriate to undertake the impairment assessment based on certain indicators. With reference to the latest business plan, the decline in operating profits is considered temporary. Based on management's impairment assessment, recoverable amount is higher than the carrying amount of property, plant and equipment and hence, no impairment is recognized.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest, ancillary costs and other costs in connection with the borrowing and also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Foreign and presentation currency

The financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional and presentation currency.

Rounding of amount: All amounts disclosed in the financial statements and notes have been rounded-off to the nearest ₹ million or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than ₹50,000/- is presented ₹0.00 million.

Foreign currencies transactions and balances

Initial recognition: Transactions in foreign currencies are initially recorded in functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement: Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.

All other exchange differences are charged to the statement of profit and loss.

i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

j) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Group recognises revenue when it transfers control over a product or service to a customer.

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Group applies the revenue recognition criteria to each separately identifiable component of the Revenue transaction as set out below:

Sale of goods: Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Group, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts. Revenue is disclosed exclusive of goods and services tax.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

Dividend income: Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest income: Interest income is recorded on accrual basis using the effective interest rate ("EIR") method.

Royalty income: Royalty is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the terms of the relevant agreement.

Research and license fees income: Research and license fees income is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the term of the relevant agreement.

Export incentives: Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

A provision for expected sales returns is determined based on the historical percentage of sales return for the same types of goods for which the provision is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the provision for sales return to be accrued. It is very unlikely that actual sales return will exactly match the historical percentage. These estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

k) Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Recognition and initial measurement: Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Investments in equity instruments of subsidiaries and joint ventures - Investments in equity instruments of subsidiaries and joint ventures are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

iii. Financial assets at fair value

- Investments in equity instruments other than above – Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss ("FVTPL"). For all other equity instruments, the Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income ("FVOCI") or fair value through profit or loss FVTPL.
- If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, 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 transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of 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

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of 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 and 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 realize the assets and settle the liabilities simultaneously.

Impairment of financial assets: The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

l) Investment in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

m) Post-employment and other employee benefits

Provident fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provident Fund. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity: A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the gratuity plan (administered through the Life Insurance Corporation of India), which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absences: Compensated absences, which are expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats compensated absences expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

Other short-term benefits: Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Income taxes

Income tax expense recognized in statement of profit and loss comprises current tax and deferred tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the applicable tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

p) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all the conditions.

Government grants related to the income are deferred and recognised in statement of profit and loss over the period necessary to match them with the cost that are intended to compensate and presented within other income.

Government grants related to property plant and equipment are included in the non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected life of the related assets and presented within other income.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognised as deferred income at fair value and subsequently are recognised in consolidated statement of profit and loss as other income on a systematic basis over the expected useful life of the related asset.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments: In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the other components. Results of the operating segments are reviewed regularly by the Board of Director (Managing Director and Chief Financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs: Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items: Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies: The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. In accordance with Ind AS 108, Operating Segments, the management has disclosed the segment information in the consolidated financial statements of the Group.

r) 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, which are subject to an insignificant risk of changes in value.

s) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties associated with the present obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Group does recognise a contingent liability but discloses its existence in the financial statements.

Any amount that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset up to the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognized in the financial statements.

t) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in consolidated statement of profit and loss and in the notes forming part of the consolidated financial statements.

1.5 Critical management judgments in applying accounting policies and estimation uncertainty

The preparation of the Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Judgments

Research and developments costs: Management monitors progress of internal research and development projects by using a project management system. Significant judgment is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Recognition of deferred tax assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

Provisions, contingent liabilities and contingent assets – The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. In view of the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Estimates

Useful lives of depreciable / amortisable assets: Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation: Management's estimate of the Defined Benefit Obligations (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

1.6 New and amended standards

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 April 2023:

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors : The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

The amendments had no impact on the Group's consolidated financial statements.

Ind AS 1 – Presentation of Financial Statements: The amendments to Ind AS 1 provide guidance on applying materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Ind AS 12 – Income Taxes: The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. The above amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1.7 Recent accounting pronouncements (Standard issued but not yet effective)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has issued following amendments:

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 April 01, 2026, retrospectively, as outlined below:

- (i) Breach of material covenant for long-term loan arrangement on or before the end of reporting period with the 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 consolidated financial statements to not demand payment as a consequence of breach.
- (ii) Classify as non-current liability, if lender agreed by the 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.
- (iii) Disclose information about the timing of settlement to understand the impact of the liability on the consolidated financial statements.

The Group does not expect this amendment to have an impact on its operations or consolidated financial statements.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

2.1 Property, plant and equipment

(₹ in million)

Particulars	Freehold land use asset-Land	Right of Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Computer equipments	Total
Gross carrying value:								
As at April 1, 2024	2,058.83	465.99	3,196.19	5,896.34	225.79	40.94	113.24	12,162.56
Additions	-	-	8.65	139.90	4.26	12.79	10.15	190.91
Disposals	9.02	-	(9.00)	(0.92)	(0.02)	(11.23)	10.05	0.33
Transferred to investment property (refer note (iii) below)	-	-	(40.80)	-	-	-	-	(40.80)
As at March 31, 2025	2,067.85	465.99	3,155.04	6,035.32	230.03	42.50	133.44	12,313.00
As at April 1, 2025	2,067.85	465.99	3,155.04	6,035.32	230.03	42.50	133.44	12,313.00
Additions	-	-	16.06	365.82	4.92	2.31	2.67	399.91
Disposals	-	-	-	(0.53)	-	-	(0.25)	(1.99)
As at March 31, 2026	2,067.85	465.99	3,171.10	6,400.61	234.95	44.81	135.86	12,710.92
Accumulated depreciation:								
As at April 1, 2024	-	30.85	1,246.78	4,808.83	215.55	14.57	103.14	6,562.16
Charge for the year	-	2.44	90.65	206.97	0.37	4.89	4.47	320.96
Disposals	-	-	3.39	(5.06)	1.11	(10.52)	10.07	1.77
Transferred to investment property (refer note (iii) below)	-	-	(5.80)	-	-	-	-	(5.80)
As at March 31, 2025	-	33.29	1,335.02	5,010.74	217.03	8.94	117.68	6,879.09
As at April 1, 2025	-	33.29	1,335.02	5,010.74	217.03	8.94	117.68	6,879.09
Charge for the year	-	2.34	89.00	183.52	0.75	5.38	5.21	300.37
Disposals	-	-	-	(0.33)	-	-	(0.25)	(1.20)
As at March 31, 2026	-	35.63	1,424.02	5,193.93	217.78	14.32	122.64	7,178.26
Net carrying value:								
As at March 31, 2026	2,067.85	430.36	1,747.08	1,206.67	17.17	30.49	13.22	5,532.66
As at March 31, 2025	2,067.85	432.70	1,820.02	1,024.58	13.00	33.56	15.76	5,433.91

Notes:

(i) Refer note 39(B) for information on contractual commitments related to property, plant and equipment.

(ii) The Group evaluated impairment of its property, plant and equipment in terms of IND AS- 36, 'Impairment of Assets'. The carrying amount is tested annually at the year end for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognized in the consolidated financial statement of the Group.

The Group carried out an impairment assessment of the CGUs using a discounted cash flow model which is based on the net present value of the forecasted earnings of the cash-generating unit. This is calculated using certain assumptions viz. discount rate of 13.78% - 20.20%, terminal year growth rate of 4% and cash flow forecasts for 5 years. The Group has also involved independent, registered valuer to assess fair value of the property, plant and equipment and Group has calculated the value in use of the CGU's by cash flow approach. These forecasts contain management's best view of the expected performance of the CGU's based on the management's knowledge of the market environment, strategic initiatives and future business plans. As per the management assessment, there is no impairment required to be recognized in the statement of profit and loss account.

(iii) During the financial year 2024-25, the Group has classified its properties amounting to ₹35.00 million (Gross value ₹40.80 million and accumulated depreciation ₹5.80 million) as investment property from property plant and equipment, due to change in plan and objective towards utilisation of said properties.

(iv) The Group has not revalued its property, plant and equipment during the financial year 2025-26 and 2024-25.

(v) The Group has adopted cost model for its property, plant and equipment.

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Notes to the Consolidated Financial Statements for the year ended March 31, 2026

2.2 Capital work-in-progress

	(₹ in million)
Particulars	Amount
As at April 1, 2024	747.15
Additions	251.60
Capitalised	(63.62)
Disposal	-
As at March 31, 2025	935.13
As at April 1, 2025	935.13
Additions	359.97
Capitalised	(295.39)
Disposal	-
As at March 31, 2026	999.71

Notes:

(i) The capital work-in-progress relates to ongoing projects for construction and installation of property, plant and equipment.

(ii) Ageing for capital work-in-progress as at March 31, 2026: (₹ in million)

Capital work in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	184.48	154.15	613.39	47.69	999.71
Total	184.48	154.15	613.39	47.69	999.71

(iii) Ageing for capital work-in-progress as at March 31, 2025: (₹ in million)

Capital work in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	251.60	628.46	49.43	5.64	935.13
Total	251.60	628.46	49.43	5.64	935.13

(iv) Projects in progress as on March 31, 2026 and as on March 31, 2025 have not exceeded the cost and timeline as compared to their respective original plans.

(v) The capital work in progress of projects as on March 31, 2026 will be capitalised upon completion in subsequent years.

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Notes to the Consolidated Financial Statements for the year ended March 31, 2026

2.3 Investment property

(₹ in million)			
Particulars	Freehold land	Buildings	Total
Gross carrying value:			
As at April 1, 2024	-	146.41	146.41
Transferred from property, plant and equipment (refer note 2.1 (iii))		40.80	40.80
As at March 31, 2025	-	187.21	187.21
Transferred from property, plant and equipment	-	-	-
As at March 31, 2026	-	187.21	187.21
Accumulated depreciation:			
As at April 1, 2024	-	20.47	20.47
Transferred from property, plant and equipment (refer note 2.1 (iii))	-	5.80	5.80
Charge for the year	-	2.97	2.97
As at March 31, 2025	-	29.24	29.24
Transferred from property, plant and equipment	-	-	-
Charge for the year	-	2.96	2.96
As at March 31, 2026	-	32.20	32.20
Net carrying value:			
As at March 31, 2026	-	155.01	155.01
As at March 31, 2025	-	157.97	157.97

Information regarding income and expenditure of the investment property:

(₹ in million)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rental income derived from investment property (refer note no. 28)	17.26	16.44
Less: Direct operating expenses	-	-
Profit from investment property before depreciation	17.26	16.44
Less: Depreciation for the year	(2.96)	(2.97)
Profit arising from investment property	14.30	13.47

Fair value of the investment property:

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
Investment property	170.10	157.97

Estimation of fair value : The fair value of investment property was carried out , and was based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair valuation is based on prices in the active market for similar properties. The main input used are quantum, area, location and demand.

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Notes to the Consolidated Financial Statements for the year ended March 31, 2026

2.4 Other Intangible assets

(₹ in million)

Particulars	Patents, trademarks and copyrights	Softwares	Websites	Products development	Total
Gross carrying value:					
Gross carrying value:					
As at April 1, 2024	91.02	231.62	9.34	624.17	956.15
Additions	-	9.29	-	-	9.29
As at March 31, 2025	91.02	240.91	9.34	624.17	965.44
As at April 1, 2025	91.02	240.91	9.34	624.17	965.44
Additions	-	16.08	-	1.63	17.71
As at March 31, 2026	91.02	256.99	9.34	625.80	983.15
Accumulated amortisation:					
As at April 1, 2024	84.62	229.52	9.34	540.51	863.99
Charge for the year	0.65	1.61	-	21.95	24.21
As at March 31, 2025	85.27	231.13	9.34	562.46	888.20
As at April 1, 2025	85.27	231.13	9.34	562.46	888.20
Charge for the year	0.10	6.22	-	20.95	27.27
As at March 31, 2026	85.37	237.35	9.34	583.41	915.47
Net carrying value:					
As at March 31, 2026	5.65	19.63	-	42.39	67.68
As at March 31, 2025	5.75	9.78	-	61.71	77.24

Note: The Group has adopted cost model for its intangible assets.

2.5 Intangible assets under development

(₹ in million)

Particulars	Amount
As at April 1, 2024	267.82
Addition	80.95
Disposal / written off	(3.39)
As at March 31, 2025	345.38
As at April 1, 2025	345.38
Addition	111.75
Disposal / written off	-
Capitalised	(15.91)
As at March 31, 2026	441.22

Notes:

(i) The cost incurred on intangible assets under development relates to products development, patents, technical know-how and softwares.

(ii) Ageing for intangible assets under development as at March 31, 2026:

(₹ in million)

Capital work in progress	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	
Projects in progress	111.74	75.17	135.49	118.82	441.22
Total	111.74	75.17	135.49	118.82	441.22

(iii) Ageing for intangible assets under development as at March 31, 2025:

(₹ in million)

Capital work in progress	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	
Projects in progress	80.95	140.85	123.58	-	345.38
Total	80.95	140.85	123.58	-	345.38

(iv) Projects in progress as on March 31, 2026 and as on March 31, 2025 have not exceeded the cost and timeline as compared to their respective original plans.

(v) The intangible assets under development of projects as on March 31, 2026 will be capitalised upon completion in subsequent years.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
3. Investments (non-current)		
Investments in equity instruments (unquoted)		
Other investments (at fair value through profit and loss)		
i) Shivalik Solid Waste Management Limited 20,250 (March 31, 2025: 20,250) equity shares of ₹10 each fully paid up	0.20	0.20
ii) Mohali Green Environment Private Limited 50,000 (March 31, 2025: 50,000) equity shares of ₹10 each fully paid up	0.50	0.50
Total	0.70	0.70
Aggregate book value of unquoted investments	0.70	0.70
Aggregate amount of impairment in value of investments	-	-
Notes:		
i) Refer note 45 for disclosure on fair value measurements in respect of financial assets at cost and fair value through profit and loss.		
ii) The Group does not have any quoted non-current investments during the current as well as previous year.		
4. Other financial assets (non-current)		
(Unsecured, considered good, unless stated otherwise)		
Security deposits	45.13	30.85
Bank deposits (due for maturity after 12 months from the reporting date)	74.42	29.95
Total	119.55	60.80
Notes:		
i) Bank deposits amounting to ₹46.64 million (March 31, 2025: ₹29.48 million) are deposited with banks and various government authorities for tender, bank guarantee, margin money, etc.		
ii) Refer note 45 and 46 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.		
5. Income tax assets (net)		
Advance taxes	162.51	197.09
Less: Provision for taxes	-	(114.81)
Total	162.51	82.28
6. Other non-current assets		
(Unsecured, considered good unless stated otherwise)		
Capital advances	11.85	39.00
Balances with statutory authorities	0.19	0.19
Prepaid expenses	0.20	0.12
Total (A)	12.24	39.31
(Unsecured, considered doubtful, credit impaired)		
Capital advances	182.96	178.29
Less: allowance for doubtful advances	(182.96)	(178.29)
Total (B)	-	-
Total (A+B)	12.24	39.31

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Notes to the Consolidated Financial Statements for the year ended March 31, 2026

Particulars	(₹ in million)	
	As at March 31, 2026	As at March 31, 2025
7. Inventories		
(Valued at lower of cost or net realisable value)		
Raw materials including packing materials	725.46	1,087.25
Finished goods	806.43	649.85
Traded goods	59.09	43.20
Work-in-progress	184.27	169.40
Stores and spares	152.64	187.01
Total	1,927.89	2,136.71
Note:		
i) Refer note 29, 30 and 31 for consumption of materials, purchase of traded goods and changes in inventories recorded by the Group.		
8. Investments (current)		
Carried at fair value through profit or loss		
Investment in mutual funds:		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan 228,387 (March 31, 2025: Nil) units at NAV of ₹439.31 (March 31, 2025: ₹ Nil) each	100.33	-
Nippon India Ultra Short Duration Fund - Growth Option - Growth Plan Nil (March 31, 2025: 7,967.948) units at NAV of ₹ Nil (March 31, 2025: ₹3,956.46) each	-	31.53
Total	100.33	31.53
Aggregate cost of quoted investments	100.11	27.55
Aggregate market value of quoted investments	100.33	31.53
9. Trade receivables		
Unsecured, considered good	735.23	725.57
Unsecured, considered doubtful, credit impaired	68.00	50.56
	803.23	776.13
Less: Allowance for expected credit loss	(68.00)	(50.56)
Total	735.23	725.57
Note:		
i) Refer note 45 and 46 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.		

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Notes to the Consolidated Financial Statements for the year ended March 31, 2026

ii) Ageing for trade receivables as at March 31, 2026:

(₹ in million)

Particulars	Not due	Outstanding for periods from due date of payments					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	347.93	353.94	10.42	9.22	4.21	9.51	735.23
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	0.96	0.96
Undisputed trade receivables credit impaired	0.08	11.61	2.31	3.64	16.25	33.15	67.04
Disputed trade receivables credit impaired	-	-	-	-	-	-	-
Total	348.01	365.55	12.73	12.86	20.46	43.62	803.23
Less: Allowance for doubtful trade receivables							(68.00)
Trade receivables (Net)							735.23

iii) Ageing for trade receivables as at March 31, 2025:

(₹ in million)

Particulars	Not due	Outstanding for periods from due date of payments					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	539.83	144.17	28.07	6.08	6.15	1.27	725.57
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	0.96	0.96
Undisputed trade receivables credit impaired	1.62	8.53	3.57	1.79	3.44	27.27	46.22
Disputed trade receivables credit impaired	-	-	-	-	-	3.38	3.38
Total	541.45	152.70	31.64	7.87	9.59	32.88	776.13
Less: Allowance for doubtful trade receivables							(50.56)
Trade receivables (Net)							725.57

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
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10. Cash and cash equivalents

Balances with banks		
- in current accounts	561.51	507.49
- in exchange earners' foreign currency accounts	11.15	3.77
Cash on hand	0.41	0.59
Bank deposits with original maturity upto 3 months from reporting date	-	309.40
Total	573.07	821.25

Notes:

- Bank deposits amounting to ₹Nil (March 31, 2025: ₹309.40 million) are pledged / provided with banks and various government authorities for tender, bank guarantee, margin money, etc.
- There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period.

11. Bank balances other than cash and cash equivalents

Bank deposits (with original maturity for more than 3 months but less than 12 months from reporting date)	70.64	248.42
Total	70.64	248.42

Note: Bank deposits amounting to ₹67.03 million (March 31, 2025: ₹248.42 million) are pledged / deposited with banks and various government authorities for tender, bank guarantee, margin money, etc.

12. Loans (current)

(Unsecured, considered good, unless stated otherwise)

Loans to employees	19.40	25.67
Total	19.40	25.67

Note: Refer note 45 and 46 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

Particulars	(₹ in million)	
	As at March 31, 2026	As at March 31, 2025
13. Other financial assets (current)		
(Unsecured, considered good, unless otherwise stated)		
Security deposits	6.67	4.46
Bank deposits with original maturity for more than 12 months but remaining mature is less than 12 month on reporting date	240.54	608.82
Others	355.41	76.75
Total (A)	602.62	690.03
(Unsecured, considered doubtful)		
Security deposits	6.63	6.79
Less : allowance for doubtful deposits	(6.63)	(6.79)
Total (B)	-	-
Total (A+B)	602.62	690.03
Notes:		
(i) Refer note 45 and 46 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.		
(ii) Bank deposits amounting to ₹234.98 (March 31, 2025: ₹167.91 million) are pledged / deposited with banks and various government authorities for tender, bank guarantee, margin money, etc.		
14. Other current assets		
(Unsecured, considered good, unless otherwise stated)		
Prepaid expenses	85.01	71.08
Export benefits receivable	15.43	11.58
Balances with statutory authorities	944.84	933.76
Others	0.52	-
Advance to suppliers	55.51	69.14
Total (A)	1,101.31	1,085.56
(Unsecured, considered doubtful, credit impaired)		
Advance to suppliers	46.23	43.66
Less: Allowance for doubtful advances	(46.23)	(43.66)
Total (B)	-	-
Total (A+B)	1,101.31	1,085.56
15. Share capital		
Authorised		
125,000,000 (March 31, 2025: 125,000,000) equity shares of ₹.1 each	125.00	125.00
109,837,000 (March 31, 2025: 109,837,000) preference shares of ₹10 each	1,098.37	1,098.37
	1,223.37	1,223.37
Issued, subscribed and fully paid up		
61,250,746 (March 31, 2025: 61,250,746) equity shares of ₹1 each	61.25	61.25
Total	61.25	61.25

Notes:

(a) Reconciliation of number of equity shares of the Holding Company:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ in million	No. of shares	₹ in million
Equity shares at the beginning of the year	61,250,746	61.25	61,250,746	61.25
Changes during the year	-	-	-	-
Equity shares at the end of the year	61,250,746	61.25	61,250,746	61.25

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(b) Terms / rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors of the Holding Company has not proposed any dividend for current year and previous year.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts including preference shares. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

The Holding Company has not reserved any shares for issuance under options.

(c) Details of promoters' equity share holding in the Holding Company:

Name of shareholders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Dr. Rajesh Jain	30,217,312	49.33%	30,217,312	49.33%
Mr. Sandeep Jain	9,351,924	15.27%	10,031,600	16.38%

(d) Details of shareholders holding more than 5% of equity shares in the Holding Company:

Name of shareholders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Dr. Rajesh Jain	30,217,312	49.33%	30,217,312	49.33%
Mr. Sandeep Jain	9,351,924	15.27%	10,031,600	16.38%

The above information has been furnished as per the shareholders' details available with the Holding Company at the year end.

(e) The Holding Company has neither bought back any equity shares nor issued any equity shares as bonus or for consideration other than cash, during the period of five years immediately preceding the reporting date.

(f) Reconciliation of 0.5% cumulative non-convertible and non-participating redeemable preference shares of the Holding Company:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Preference shares at the beginning of the year	16,137,000	161.37	16,137,000	161.37
Changes during the year	-	-	-	-
Preference shares at the end of the year	16,137,000	161.37	16,137,000	161.37

(g) Terms attached to 0.5% cumulative non-convertible and non-participating redeemable preference shares in the Holding Company:

The Holding Company has only one class of preference shares having a par value of ₹10 per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend, if any, proposed by the Board of Directors of the Holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors of the Holding Company has not proposed any dividend on preference shares for current year and previous year.

The preference shares were initially issued for a period of 10 years w.e.f. January 6, 2015. The terms of preference shares were amended on April 8, 2019 so as to enhance the tenure from 10 years to 15 years with an option with the Holding Company as well as preference shareholders for early redemption of preference shares, provided the secured debt obligations with respect to debentures issued by the Holding Company are fully serviced as per the agreed terms. The said debentures were assigned and novated in favour of Panacea Biotech Pharma Limited in financial year 2019-20 and were subsequently fully redeemed during financial year 2021-22.

In the event of liquidation of the Holding Company, the holders of preference shares will be entitled to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in preference to the equity shareholders. The distribution will be in proportion to the number of preference shares held by the preference shareholders. Also refer note 17(iii) with reference to liability component of preference shares.

(h) The Holding Company has neither bought back any preference shares nor issued any preference shares as bonus or for consideration other than cash, during the period of five years immediately preceding the reporting date.

(i) Details of Promoters' preference shareholding and preference shareholders holding more than 5% of 0.5% cumulative non convertible and non participating redeemable preference share capital:

Name of shareholders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Dr. Rajesh Jain	13,008,600	80.61%	13,008,100	80.61%
Mr. Sandeep Jain	3,128,400	19.39%	3,128,400	19.38%

The above information has been furnished as per the shareholders' details available with the Holding Company at the year end.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
16. Other equity		
A. Reserves and Surplus:		
Capital reserve	(2,534.71)	(2,534.71)
Retained earnings	7,760.55	7,799.13
General reserve	794.99	794.99
Securities premium reserve	919.40	919.40
Capital redemption reserve	1,022.34	1,022.34
Foreign currency translation reserve	107.99	68.92
Total (A)	8,070.56	8,070.07
B. Equity component of compound financial instruments (refer note 15(f) to 15(i) and 17(iii))	216.54	216.54
Total (A+B)	8,287.10	8,286.61

Note: For changes in balances of reserves, refer to the Consolidated Statement of Changes in Equity.

Nature and purpose of other reserves

General reserve: The Holding Company has transferred a portion of the net profit before declaring dividend to general reserve in earlier years pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Securities premium reserve: represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained earnings: are the profits / (losses) that the Group has earned till date, less any transfer to any reserves, dividend or other distribution paid to shareholders.

Capital redemption reserve: is created in accordance with provisions of the Act for the buy back of equity shares from the market.

Capital reserve: includes reserve created pursuant to the demerger of the real estate business.

Foreign Currency translation reserve: Assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing as at date of the balance sheet. Revenue and expenses are translated into INR at the average exchange rate prevailing during the period. The exchange difference arising at the year-end due to translation is debited or credited to currency translation reserve account.

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
17. Borrowings (non-current)		
Unsecured loans:		
Liability component of compound financial instruments		
16,137,000 (March 31, 2025: 16,137,000) 0.5% cumulative non-convertible and non-participating redeemable preference shares of ₹10 each (refer note (iii) below)	86.64	72.06
Loan from related parties (refer note (i) & (ii) below)	150.00	150.00
	236.64	222.06
Less: current maturities of non-current borrowings	-	-
Total	236.64	222.06

Notes :

- Rate of interest: The Group's long term borrowings were at an effective weighted average rate of 9% (March 31, 2024: 9%) per annum.
- Repayment terms and security of loans: Loan from related parties includes loan from promoter director and is payable after five years from the date of borrowings. Also refer note 42.
- Liability component of compound financial instruments: Further to note 15(f) to (i), the preference shares are presented in the consolidated balance sheet as follows:

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
Value of preference shares issued	161.37	161.37
Opening interest accrued	127.23	115.11
Interest expense (refer note below)	14.58	12.12
Total (A)	303.18	288.60
Equity component of preference shares (refer note below)	216.54	216.54
Total (B)	216.54	216.54
Liability component of compound financial instruments (A-B)	86.64	72.06

Note: The equity component is the difference between fair value of liability component computed at the effective interest rate of 18.85% per annum (March 31, 2025: 18.85% per annum) and the value of preference shares issued, which is presented as a separate component of equity in the Consolidated Statement of Changes in Equity.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
18. Other financial liabilities (non-current)		
Security deposit	4.57	4.57
Total	4.57	4.57
19. Provisions (non-current)		
Provision for gratuity (net) (refer note 44)	198.41	191.06
Provision for compensated absences (refer note 44)	127.55	133.06
Provision for expected sales return (refer note below)	40.15	29.28
Total	366.11	353.40
Note:		
Movement of provision for expected sales return:		
Balance as at beginning of the year	29.28	-
Provided during the year	40.15	29.28
Utilised / reversed during the year	(29.28)	-
Balance as at end of the year	40.15	29.28
20. Deferred tax Liability (net)		
Deferred tax liabilities arising on account of:		
Property, plant and equipment and intangible assets	663.09	818.93
Total (A)	663.09	818.93
Deferred tax assets arising on account of:		
Expenditure allowed on payment basis	225.85	178.76
Carried forward business losses and unabsorbed depreciation	369.96	169.74
Revenue received in advance	(83.14)	53.14
Provision for expected credit loss	(80.99)	184.47
Total (B)	431.68	586.11
Total (A-B)	231.41	232.82
Note: Refer note 37 for changes in balances of deferred tax assets and / or liabilities.		
21. Other non-current liabilities		
Income received in advance (refer note 52)	7.32	108.52
Total	7.32	108.52
22. Trade payables		
Total outstanding dues of micro enterprises and small enterprises	222.17	141.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,673.88	2,115.77
Total	1,896.05	2,257.56

Notes:

(i) Refer note 42 for related party transaction disclosures.

(ii) Ageing for trade payables outstanding as at March 31, 2026:

(₹ in million)

Particulars	Outstanding for periods from due date of payments					Unbilled due	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Micro enterprises and small enterprises	25.67	190.51	6.57	-	-	-	222.75
Others	44.41	527.69	33.01	6.18	47.24	306.61	965.14
Disputed Dues -MSME	-	-	-	11.73	-	-	11.73
Disputed Dues -Others	-	-	-	-	696.43	-	696.43
Total	70.08	718.20	39.58	17.91	743.67	306.61	1,896.05

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(iii) Ageing for trade payables outstanding as at March 31, 2025: (₹ in million)

Particulars	Outstanding for periods from due date of payments					Unbilled due	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Micro enterprises and small enterprises	0.20	129.86	11.55	0.18	-	-	141.78
Others	14.15	1,057.15	18.02	75.38	37.08	280.62	1,482.42
Disputed Dues Others	-	-	-	-	633.36	-	633.36
Total	14.35	1,187.01	29.57	75.56	670.44	280.62	2,257.56

(iv) Details of dues to micro, small and medium enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006 ["MSMED Act"]:

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:

Particulars	(₹ in million)	
	As at March 31, 2026	As at March 31, 2025
The amounts remaining unpaid to any supplier as at the end of each accounting year:		
- Principal	222.17	141.79
- Interest	11.63	2.32
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	11.63	2.32
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	-

Particulars	(₹ in million)	
	As at March 31, 2026	As at March 31, 2025

23. Other financial liabilities (current)

Grant received (refer note (ii) below)	36.20	17.69
Interest accrued and due on borrowings (refer note 42)	1.65	6.06
Others	62.60	70.05
Total	100.45	93.80

Notes:

- Refer note 45 and 46 for disclosure of fair value in respect of financial liabilities measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.
- During the financial year 2022-23, the Holding Company had received grant of ₹236.65 million from Coalition for Epidemic Preparedness Innovations (CEPI), Norway for development of a broadly protective beta-coronavirus vaccine. During the financial year 2024-25, the Holding Company has recognised grant income of ₹218.96 million against the expenditure incurred on this project upto March 31, 2025. The project is in progress. Pending completion of the project, the unutilised amount of grant is considered as other financial liability.

24. Other current liabilities

Advances from customers (refer note 39(A)(viii) and note 56)	716.14	655.94
Income received in advance (refer note 52)	101.76	109.96
Deferred government grant	173.58	142.35
Statutory liabilities	38.47	31.10
Others	45.38	15.54
Total	1,075.33	954.89

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
25. Provisions (current)		
Provision for compensated absences (refer note 44)	121.27	104.39
Provision for gratuity (refer note 44)	16.87	10.13
Other provisions	256.65	249.08
Total	394.79	363.60
26. Current tax liabilities (net)		
Provision for taxation	20.31	0.08
Total	20.31	0.08

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
27. Revenue from operations		
Sale of products (net)		
Finished goods	5,301.58	4,691.64
Traded goods	190.88	167.79
Sale of services		
Contract manufacturing	17.15	45.94
Royalty income	590.06	20.63
Other operating revenue		
Export benefits	35.89	31.41
Government Grant income (refer note (ii) below)	253.54	459.33
Performance linked incentive scheme (refer note (iii) below)	-	165.00
Scrap sale	8.64	9.20
Total	6,397.74	5,590.94

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Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Disaggregated revenue from contracts with customers		
Revenue from sale of products & service:		
Vaccines	3,838.49	2,517.36
Pharmaceutical formulations & nutrition	2,261.18	2,408.64
Other operating revenue:		
Vaccines	264.07	581.07
Pharmaceutical formulations & nutrition	34.00	83.87
Total	6,397.74	5,590.94
Revenue by geography:		
India	2,184.52	1,583.30
Outside India	4,213.23	4,007.64
Total	6,397.74	5,590.94
B. Reconciliation of gross revenue with the revenue from contracts with customers:		
Gross revenue (refer note (i) below)	6,512.94	5,620.72
Discounts	(1.92)	(1.01)
Sales returns	(113.28)	(28.77)
Total	6,397.74	5,590.94
Notes:		
(i) Revenues are recorded at a point in time. The Group has no remaining performance obligations once the goods are delivered to the customer as per terms of the contract.		
(ii) Grant income from Government / Others includes grant income of (i) ₹30.56 million (financial year 2024-25: ₹218.96 million) recognised against the grant received from CEPI for developing abroadly protective Betacoronavirus vaccine as per the grant terms and (ii) ₹214.19 (financial year 2024-25: ₹183.73 million) recognised against the advance license / EPCG licenses.		
(iii) The Holding Company has received the incentive of ₹ Nil pertaining to financial year 2025-26 (financial year 2024-25 ₹165.00 million) under the Production Linked Incentive (PLI) Scheme for Pharmaceuticals of the Govt. of India. Under this Scheme the Company is eligible for total incentive of ₹500 million for financial years 2022-23 to 2027-28 subject to the Company meeting the scheme conditions relating to investments and sales growth.		
C. Information about trade receivables, contract assets from contracts with customers:		
Trade receivables (refer note (i) below) (also refer note 9)	803.23	776.13
Others (refer note 13)	355.41	76.75
Contract balances		
Advances from customers (refer note (ii) below) (also refer note 24)	716.14	655.94
Total	442.50	196.94
Notes:		
(i) Trade receivables are non-interest bearing and are generally due within 30 to 180 days. There is no significant financing component in any transaction with the customers.		
(ii) The adjustments of advances during the year are not considered to be significant.		

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Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
28. Other income		
Income from investments:		
Dividend Income	0.04	0.04
Fair value gain on investment in mutual funds	9.45	24.50
Interest income from:		
Bank deposits	33.52	73.41
Others	8.08	3.67
Others:		
Excess provisions / debt written back	49.06	36.11
Lease rent - investment property (refer note 40)	17.26	16.44
Lease rent - others (refer note 40)	3.11	1.90
Gain on sale of property, plant and equipment (net)	-	4.46
Gain on foreign exchange transactions and translations (net)	11.85	37.28
Miscellaneous	36.63	8.79
Total	169.00	206.60
Note: Refer note 42 for related party transaction disclosures.		
29. Cost of materials consumed		
Raw materials including packing materials:		
Inventories at the beginning of the year	1,087.25	988.28
Add : Purchases during the year	2,540.65	2,239.70
Less: Inventories at the end of the year	(725.46)	(1,087.25)
Total	2,902.44	2,140.73
30. Purchases of traded goods		
Purchases of traded goods	89.73	75.98
Total	89.73	75.98
31. Changes in inventories of finished goods, traded goods and work-in-progress		
Inventories at the end of the year:		
Finished goods	806.43	649.85
Traded goods	59.09	43.20
Work-in-progress	184.27	169.40
Total (A)	1,049.79	862.45
Inventories at the beginning of the year:		
Finished goods	649.85	427.00
Traded goods	43.20	39.33
Work-in-progress	169.40	174.78
Total (B)	862.45	641.11
Changes in inventories of finished goods, traded goods and work-in-progress (B-A)	(187.34)	(221.34)
32. Employee benefits expense		
Salary and wages	1,689.63	1,617.24
Contribution to provident and other funds (refer note 44)	45.90	44.09
Staff welfare expenses	72.27	69.18
Total	1,807.80	1,730.51
Note: Refer note 42 for related party transaction disclosures.		
33. Finance costs		
Interest expense	54.10	29.22
Other borrowing costs	6.35	9.54
Total	60.45	38.76
Note: Refer note 42 for related party transaction disclosures.		
34. Depreciation and amortisation expense		
Depreciation on property, plant and equipment	300.37	320.96
Depreciation on investment properties	2.96	2.97
Amortisation of intangible assets	27.27	24.21
Total	330.60	348.14

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

Particulars	(₹ in million)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
35. Other expenses		
Advertising and sales promotion	122.49	194.73
Allowance for expected credit loss and doubtful advances	35.18	12.50
Analytical testing and trial	67.48	65.35
Bad debts and advances and other balances written off	-	0.79
Commission on sales	24.57	26.77
Consumption of stores and spares	293.19	364.08
Contract manufacturing	5.37	0.22
Contract employees expenses	12.21	-
Directors' sitting fees	6.78	2.12
Donation others	4.38	1.13
IT Services	98.22	-
Freight and forwarding	135.66	147.88
Insurance	60.34	57.12
Legal and professional	189.09	250.27
License Fees	2.90	0.17
Loss on foreign exchange transactions and translations (net)	-	0.29
Meetings and conferences	10.97	22.04
Miscellaneous	43.49	63.15
Office expenses	5.07	3.92
Guest house expenses	0.98	-
Payment to statutory auditors	6.16	6.92
Postage and communication	12.82	12.67
Power and fuel	341.67	389.30
Printing and stationery	5.13	6.84
Property, plant and equipment and intangible assets impaired / written off	1.28	13.95
Rates and taxes	70.88	62.39
Rent	17.19	47.77
Rent related party	0.45	-
Repair and maintenance:		
Buildings	25.28	41.59
Plant and machinery	59.96	68.08
Others	22.41	89.02
Royalty	0.92	0.08
Security charges	32.42	29.96
Staff training and recruitment	15.82	13.43
Subscription	14.84	17.60
Travelling and conveyance	64.25	92.13
Vehicle running and maintenance	21.86	19.92
Total	1,831.71	2,124.18
Note: Refer note 42 for related party transaction disclosures		
36. Exceptional items		
Deferred revenue recognised against sale of domestic formulation brands in earlier year	109.25	359.94
Amount received from Apotex pursuant to the settlement	85.71	-
Total	194.96	359.94
Note: Refer note 52		

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
37. Tax expenses		
A. Income tax expense reported in the Statement of Profit and Loss		
Income tax expense consists of the following:		
Current tax	4.34	0.14
Deferred tax	(6.40)	7.57
Total tax expense	(2.06)	7.71
B. Income tax expense in other comprehensive income:		
Income tax relating to Re-measurement (loss) on defined benefit plans	5.11	(0.20)
Total (B)	5.11	(0.20)
Total tax expense (A+B)	3.05	7.51
Reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported is as follows:		
Profit / (loss) before income taxes	(73.69)	(79.48)
At Holding Company's statutory income tax rate of 25.168% (March 31, 2025: 25.168%)	(18.55)	(20.00)
Impact on account of change in tax rate on long term capital gains	-	(105.08)
Effect of non deductible Expenses	33.80	-
Adjustment on account of expiry of losses, other inadmissible expenses and set off during the year	(12.20)	132.59
Income tax expense reported in the statement of profit and loss	3.05	7.51

Tax losses:

- The Group has unabsorbed business losses and unabsorbed depreciation as per tax laws for ₹558.47 million and for ₹324.53 million respectively as at March 31, 2026 (March 31, 2025: ₹784.06 million and ₹336.70 million respectively) that is available for off-setting against the future taxable profits of the Group. The unabsorbed business losses can be carried forward for a period of eight years from the date of incurrence of such losses as per tax laws. These unabsorbed business losses will expire between financial year ending March 31, 2030 and March 31, 2034.
- Deferred tax adjustment includes adjustments on account of earlier year losses, provision for doubtful advances and interest receivable now considered as realisable under the income tax laws by the Holding Company.
- Movement in deferred tax assets / liabilities:

(a) For the year ended March 31, 2026:

(₹ in million)

Particulars	As at March 31, 2025	Charged / (credited) to		As at March 31, 2026
		profit and loss	other comprehensive income	
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment and intangible assets	818.93	(155.84)	-	663.09
Total (A)	818.93	(155.84)	-	663.09
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	163.16	67.80	(5.11)	225.85
Effect of unabsorbed losses / provisions	185.34	184.62	-	369.96
Revenue received in advance	53.14	(136.28)	-	(83.14)
Provision for expected credit loss	184.47	(265.58)	-	(80.99)
Total (B)	586.11	(149.44)	(5.11)	431.68
Net deferred assets / liabilities (B-A)	(232.82)	6.40	(5.11)	(231.41)

(b) For the year ended March 31, 2025:

(₹ in million)

Particulars	As at March 31, 2024	Charged / (credited) to		As at March 31, 2025
		profit and loss	other comprehensive income	
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment and intangible assets	992.69	(173.56)	(0.20)	818.93
Total (A)	992.69	(173.56)	(0.20)	818.93
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	93.93	69.23	-	163.16
Effect of unabsorbed losses / provisions	504.94	(319.60)	-	185.34
Revenue received in advance	143.73	(90.59)	-	53.14
Provision for expected credit loss	24.64	159.83	-	184.47
Total (B)	767.24	(181.13)	-	586.11
Net deferred assets / liabilities (B-A)	(225.45)	(7.57)	0.20	(232.82)

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

Particulars	(₹ in million)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
38. Earning / (loss) per share		
Profit/(Loss) attributable to shareholders	(53.77)	(83.70)
Weighted average number of equity shares	61,250,746	61,250,746
Face value per equity share (in ₹)	1.00	1.00
Earning/(Loss) per equity share - basic and diluted (in ₹)	(0.88)	(1.37)

Particulars	(₹ in million)	
	As at March 31, 2026	As at March 31, 2025
39. Contingent liabilities and commitments		
(A) Contingent liabilities (to the extent not provided for)		
Disputed demands / show cause notices under:		
Income tax cases (refer note (i) to (vi) below)	3,614.48	3,582.45
Sales Tax / VAT / GST / Service Tax / Excise & Custom duty cases (refer note (vii) and (ix) to (xvii) below)	413.04	88.40
Labour Cases (refer note xviii)	137.18	-

Notes:

- Includes income tax demand of ₹99.52 million in respect to Assessment Year 2005-06. The Income Tax Department had issued alleged demand based on certain grounds related to purchases made by the Holding Company from an overseas vendor. The matter was decided in favour of the Holding Company, and the demand was cancelled by Commissioner of Income Tax (Appeals) ("CIT (Appeals)"). However, the Income Tax Department filed an appeal before Income Tax Appellate Tribunal ('ITAT') against the order of CIT (Appeals) during the financial year 2025-26 and the same has been allowed in favour of the Holding Company. Keeping in view that the stipulated period for filing of appeal by the Income Tax department against the said order of the Hon'ble ITAT is not yet over, the Holding Company has decided to continue to show the amount as a contingent liability.
- A search operation was conducted by the Income Tax Department in the premises of the Holding Company in January 2012 and hence the Holding Company re-filed the income tax returns for the Assessment Year 2006-07 to 2012-13. During the year ended March 31, 2015, the Income Tax Department completed the assessment of the said years, disallowed certain expenses and issued demand of ₹3,294.90 million (including interest) on various grounds. The Holding Company preferred appeals before the CIT (Appeals) against the orders of the Income Tax Department. The appeals were decided in favour of the Holding Company and the demand was cancelled. However, CIT (Appeals) made certain disallowances with respect to Assessment Year 2010-11 and 2011-12 against which the Holding Company filed appeals before the (ITAT). The Income Tax Department also filed appeal before ITAT against the orders of CIT (Appeals). During the financial year 2025-26, the Hon'ble ITAT has, vide its consolidated Order dated February 27, 2026 (a) dismissed all seven appeals filed by the Income Tax Department against the orders of the CIT (Appeals) for Assessment Years 2006-07 to 2012-13; (b) allowed both appeals filed by the Holding Company against the CIT (Appeals) orders dated July 27, 2015, for Assessment Years 2010-11 and 2011-12; and quashed the underlying assessment orders passed by the Assessing Officer / DCIT for Assessment Years 2006- 07 to 2012-13, thereby providing complete relief to the Holding Company. Keeping in view that the stipulated period for filing of appeal by the Income Tax Department against the said order of the Hon'ble ITAT is not yet over, the Holding Company has decided to continue to show this amount as a contingent liability.
- The Income Tax Department had raised a demand of ₹33.69 million in respect of Assessment Year 2016-17 based on transfer pricing order passed by Dispute Resolution Panel. The alleged demand was raised on purchase of certain goods by the Holding Company from its associated enterprise wherein, according to Income Tax Department, arms' length price adjustment was warranted. The Holding Company filed appeal before ITAT against the order passed by the Income Tax Department. During financial year 2023-24, the said appeal has been decided in favour of the Holding Company. Further, the department has filed an appeal before the Hon'ble Delhi High court, against the order of the Hon'ble ITAT. Based on legal advice, the Holding Company believes that it has merits in this case, hence no provision is required.
- The Income Tax Department has levied a penalty of ₹93.88 million in respect of Assessment Years 2017-18, 2020-21 & 2021-22 on account of alleged under reporting of income in assessment orders passed for the said years. The Holding Company filed an appeal before CIT (Appeals) against the order passed by the Income Tax Department but the same was dismissed by the CIT (Appeals). The Holding Company has filed an appeal before Hon'ble ITAT against the order passed by CIT (Appeals). Based on legal advice, the Holding Company believes that it has merits in these cases, hence no provision is required.
- The Income Tax Department raised a demand of ₹2,620.80 million in respect of Assessment Year 2020-21. The alleged demand was raised due to wrong addition of contingent liability not provided for, set-off of business losses not allowed and increase in other income due to set-off of business losses not allowed. The Holding Company filed an appeal before CIT (Appeals) and rectification application before assessing officer against the order passed by the Income Tax Department. During the financial year 2023-24, while the said appeal was under consideration, the assessing officer has passed rectification order in favour of the Holding Company and reduced the said tax demand to ₹91.63 million. Currently, the same is reflected on income tax portal due to error in the said order. Further, the Holding Company has filed the application for rectification thereof. The Holding Company believes that it has merits in this case, hence no provision is required.
- The Income Tax Department has raised a demand of ₹0.86 million in respect of Assessment Year 2018-19 on the ground of alleged non-deduction of withholding tax on certain foreign remittances made by the Holding Company. The Holding Company has filed an appeal

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before CIT (Appeals) against the order passed by the Income Tax Department and the same was dismissed by the CIT (Appeals). The Holding Company has filed an appeal before Hon'ble ITAT against the order passed by CIT (Appeals). Based on legal advice, the Holding Company believes that it has merits in this case, hence no provision is required.

- vii) Service tax and Excise & Custom duty litigation are pending with various authorities. The Holding Company believes that it has merit in these cases and hence no provision is required.
- viii) The Holding Company had manufactured and offered supply of certain vaccines which were manufactured against the confirmed order received from the Ministry of Health and Family Welfare ("MOHFW"), Govt. of India. Some quantities of vaccines were supplied during December 2011, and the balance could not be supplied in view of disputes with respect to delivery dates. In the meantime, the stock of such vaccines amounting to ₹74.10 million expired. Further, the Holding Company also received an advance market commitment ("AMC") amounting to ₹100.00 million towards against these vaccines. The refund of the advance so received (after adjusting the amount receivable against the vaccines already supplied) was demanded back by MOHFW along with interest on account of non-supply of balance quantities of vaccines. In view of above disputes, the Holding Company obtained a stay order from the Hon'ble Delhi High Court against recovery of said amount, till the disputes are finally resolved through arbitration. The arbitration award was pronounced in favour of the Holding Company on March 14, 2019, vide which MOHFW was directed to pay the applicable amount for vaccine supplied / offered for supply along with interest. MOHFW filed an appeal before Hon'ble Delhi High Court raising certain objections against the award, which was dismissed by the Hon'ble Court. MOHFW filed an appeal against such order before the Division Bench of the Hon'ble Delhi High Court which was also rejected. MOHFW has filed a Special Leave Petition against such order before the Hon'ble Supreme Court of India. The same is currently pending before Hon'ble Supreme Court of India. The Holding Company's application for execution of award is also currently pending before the Hon'ble Delhi High Court. The Holding Company believes that it has merits in this case and the outcome of this matter will not have any material adverse impact on the financial position of the Holding Company.
- ix) In March 2024, the Holding Company received summons from Asst. Commissioner of State Tax ("ACST"), Mumbai, to enquire if the Holding Company had paid GST on sale of the leasehold land and building at Navi Mumbai in March 2022. The Holding Company's officials attended the proceedings and clarified that the GST was not applicable as the said transaction was covered under Schedule III to CGST / MGST Act. However, following persistent follow-up by the GST authorities, the Holding Company deposited an amount of ₹31.42 million under protest. The Holding Company filed a writ petition before the Hon'ble High Court of Judicature at Bombay against the said proceedings. The Hon'ble Bombay High Court has set aside the demand order on January 22, 2025, and the matter was remanded back to the ACST, Mumbai for a fresh adjudication on the show cause notice. The Hon'ble High Court also directed the ACST, Mumbai, to take into consideration and deal with the recent decision of the Gujarat High Court on a similar issue whilst rendering its findings on the show cause notice. Subsequently, ACST, Mumbai issued a fresh demand order of ₹70.34 million (including interest and penalty) after adjusting ₹31.42 million deposited under protest. The Holding Company has again filed a writ petition before the Hon'ble High Court. The Hon'ble High Court has passed interim order stating that no recovery proceedings shall be initiated against the Holding Company and the final order is yet to be passed. The Holding Company believes that it has merits in its case and hence, the Holding Company has not made any provision in respect of this matter.
- x) In December 2023, the Holding Company received a demand order from State Tax Officer, Kerala, raising demand of ₹1.75 million (including penalty and applicable interest) for financial year 2017-18 rejecting the Holding Company's claim for input tax credit on account of non-submission of relevant documents. The Holding Company filed an appeal on February 02, 2024, before the Appellate Authority which is pending. The Holding Company believes that it has merit in this case and hence no provision is required.
- xi) In February 2025, the Holding Company received a demand order from Superintendent, Central Goods & Services Tax, Derabassi-I, Punjab, raising demand of ₹0.33 million (including penalty) and applicable interest for financial year 2020-21 on account of alleged excess claim of input credit w.r.t. import of goods. The Holding Company has filed an appeal before the Appellate Authority against the aforesaid demand order on April 26, 2025. The Holding Company believes that it has merit in this case and hence no provision is required.
- xii) In September 2025, the Holding Company received show cause notice from Assistant Commissioner, Central GST (Audit), Ludhiana, Punjab for financial years 2019-20 to 2021-22 demanding GST of ₹228.81 million and applicable interest on corporate guarantee of ₹8,640.00 million provided by the Holding Company in favour of its WOS Panacea Biotech Pharma Limited. The Holding Company has filed a Writ Petition before the Hon'ble Punjab & Haryana High Court. The Hon'ble High Court has, vide its order dated January 1, 2026, held that no coercive action be taken against the Holding Company in case final assessment order is passed or a demand is raised. The Additional Commissioner, CGST Sub-Commissionerate, Mohali has issued a demand order dated March 30, 2026, confirming the aforesaid demand. The Holding Company has filed an appeal against the said demand order before the Appellate Authority. The Holding Company believes that it has merits in its case and hence, the Holding Company has not made any provision in respect of this matter.
- xiii) In December 2025, the Holding Company has received a demand order from Commercial Tax Officer, Tamil Nadu raising a demand of ₹0.51 million (including penalty and interest) for financial year 2021-22 on account of alleged short payment of tax liability. The Holding Company has filed an appeal against the order before the Appellate Authority on March 25, 2026. The Holding Company believes that it has merit in this case and hence no provision is required.
- xiv) In February 2025, Panacea Biotech Pharma Limited (PBPL), a wholly owned subsidiary of the Holding Company, received a demand order from the Assistant Commissioner GST, Tamil Nadu for the financial year 2020-21 of ₹8.81 million (including interest and penalty) on account of various issues such as difference in outward supply turnover reported in GSTR-1 vs GSTR-3B, non payment of GST on NIL rated turnover, etc. PBPL has filed appeal against the said order on May 20, 2025. The Company believes that it has merit in this case and hence no provision is required.
- xv) In February 2025, PBPL received a demand order from State Tax Officer, Maharashtra for the financial year 2020-21 of ₹15.82 million (including interest and penalty) on account of various issues such as ITC mismatch between GSTR 2B & ITC availed in GSTR 3B, ineligible ITC, non payment of GST on rent and other income and on outstanding payable to Panacea Biotech Germany GmbH. An appeal was filed by PBPL against the above order before the first Appellate Authority and the first Appellate Authority vide its order dated March 10, 2026 partially allowed the appeal and confirmed demand amounting to ₹8.15 million on 2 points i.e. availment of excess Input Tax Credit (ITC) in GSTR-3B as compared to GSTR-2A/2B and non-payment of GST on Outstanding payable to Panacea Biotech Germany GMBH. PBPL has filed

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appeal before the Appellate Tribunal on July 21, 2026 against the said order. The Company believes that it has merit in this case and hence no provision is required.

- xvi) In July 2024, PBPL received a demand order from State Tax Officer, Maharashtra for the financial year 2019-20 of ₹3.85 million (including interest and penalty) on account of issues such as difference in ITC availed in GSTR-3B vis-a-vis GSTR-2A, non-payment of GST on legal & professional expenses etc. PBPL filed appeal against the demand order on September 30, 2024. The Company believes that it has merit in this case and hence no provision is required.
- xvii) In February 2025, PBPL received a demand order from Assistant Commissioner GST, Tamil Nadu for the financial year 2020-21 of ₹2.34 million (including interest and penalty) on account of non-matching of reversal and re-claim of ITC details for the year 2019-20. PBPL filed an appeal against the demand order on May 20, 2025. The Company believes that it has merit in this case and hence no provision is required.
- xviii) With respect to the 4 old labour cases pending before the Presiding Officer, Industrial Tribunal, Mohali in respect of manufacturing site of the Holding Company at Lalru, Punjab, during financial year 2024-25, the Company has initiated settlement process and has recognised an amount of ₹42.80 million as the compensation payable in respect of these cases, out of which ₹22.51 million has been paid as on March 31, 2026 (March 31, 2025: ₹18.51 million) and the balance amount has been included as a liability in the financial statements. The Holding Company has received 4 awards dated March 19, 2026, whereby the Tribunal has, inter-alia, set aside transfer of 23 workmen and granted relief of full back wages from the date of transfer; awarded reasonable wage revision for the workmen; and awarded reinstatement of the workers (other than those who have settled the dispute) with 50% back wages from the date of termination. The Holding Company believes that it has merits in these cases. The Holding Company is therefore filing appeals against the aforesaid awards before the Hon'ble Punjab and Haryana High Court, Chandigarh. Accordingly, the Holding Company has not made any provisions in respect of these matters. In view of large number of cases, it is impracticable to disclose each case.
- xix) Meyten Realtech Private Limited ("Meyten") had acquired immovable property situated at industrial plot bearing No. G-3/B-1 Extension, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044 from Radhika Heights Limited ("RHL") (initially known as Maxwell Impex (India) Private Limited), the erstwhile wholly owned subsidiary of the Holding Company, which owned the said industrial plot (which was earlier allotted to Shri Ramesh Chandra Aggarwal by way of Registered Perpetual Lease deed). Shri Ramesh Chandra Aggarwal formed a Holding Company in the name of Maxwell Impex (India) Private Limited and conveyed his perpetual lease / sub-lease hold rights in respect of the said plot to it. The entire shareholding of this Holding Company was subsequently purchased by the Holding Company from the shareholders of this Holding Company during financial year 1999-2000. In 2003, Delhi Development Authority ('DDA') floated a scheme for conversion of leasehold rights into freehold rights on the basis of General Power of Attorney. RHL applied for conversion of the leasehold rights to freehold rights. RHL received a demand towards unearned increase charges of ₹100.78 million from DDA vide its letter dated October 22, 2010, without disclosing the nature and the basis of demand. RHL has filed a writ petition with the Hon'ble Delhi High Court which is pending at present. Based on legal advice, the Group believes that it has merits in this case, hence no provision for this demand towards unearned increase charge is currently recorded.
- xx) The Group has received notices from various authorities seeking information mentioned in the said notices. In view of the management these notices may not have any financial liability on the Group.

(B) Capital commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

Particulars	(₹ in million)	
	As at March 31, 2026	As at March 31, 2025
Property, plant and equipment	118.67	217.88
Total	118.67	217.88

40. Leases

Group as a lessee

The Group does not have any long-term non cancellable leases during current and previous financial year. Lease payments with respect to short term leases amounts to ₹62.91 million (March 31, 2025: ₹47.77 million).

Group as a lessor

The Group has leased out certain office and godown premises under short-term operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms. There are no sublease payments expected to be received under non-cancellable subleases at the balance sheet date and no restriction is imposed by lease arrangements. Lease income amounting to ₹20.37 million (March 31, 2025: ₹18.34 million) has been recorded in the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

41. Research and development expenditure

Research and development expenditure incurred by the Group during the financial year are mentioned below: (₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue expenditure		
Materials consumed	4.02	10.76
Employee benefits expense	170.82	170.07
Depreciation and amortisation expense	39.50	51.58
Other expenses	140.46	195.99
Capital expenditure	9.74	122.72
Total	364.54	551.12

42. Related party disclosures

As per Ind AS 24, the disclosure of transactions with related parties are as given below:

(A) List of related parties and relationship with whom transactions have taken place:

(a) Associate & Joint Ventures:

- Adveta Power Private Limited ("Adveta")*
- PanEra Biotec Private Limited ("PanEra")*
- Chiron Panacea Vaccines Private Limited (liquidated on 20.06.2024) ("CPV")

(b) Key Management Personnel:

- Dr. Rajesh Jain - Chairman and Managing Director
- Mr. Sandeep Jain - Joint Managing Director
- Mr. Ankesh Jain - Whole-time Director
- Mr. Harshet Jain - Whole-time Director (w.e.f. February 14, 2025)
- Dr. Sanjay Trehan - Whole time director (w.e.f. February 14, 2025) (designated as Director Technical & Compliances w.e.f. April 01, 2025)
- Ms. Ambika Sharma - Non-Executive Non Independent Director
- Mr. Bhupinder Singh - Non-Executive Independent Director (upto October 15, 2024)
- Mr. Krishan Kumar Jalan - Non-Executive Non Independent Director (w.e.f. February 14, 2025)
- Mrs. Manjula Upadhyay - Non-Executive Independent Director (upto March 29, 2025)
- Mr. Mukul Gupta - Non-Executive Independent Director (upto March 31, 2026)
- Mr. Narotam Kumar Juneja - Non-Executive Non Independent Director (upto March 31, 2025)
- Dr. Rajender Pal Singh - Non-Executive Non Independent Director (w.e.f. February 14, 2025)
- CA. Rajesh Jain - Non-Executive Non Independent Director
- Dr. Venkatesh Sarvasiddhi - Non-Executive Non Independent Director (w.e.f. February 14, 2025)
- Mr. Vinod Goel - Group CFO and Head Legal & Corporate Governance (designated as Group CFO and Head Legal & Company Secretary upto December 15, 2025)
- Mr. Devender Gupta - Chief Financial Officer & Head Information Technology (Upto December 15, 2025)
- Mr. Ankit Jain - General Manager Legal & Company Secretary (w.e.f. December 16, 2025)

(c) Enterprises over which Person(s) (having control or significant influence over the Company / Key management personnel(s), along with their relatives) are able to exercise significant influence:

- EverWise Ventures LLP
- First Lucre Partnership Co. (holding shares in the Holding Company)
- MD Next Life Sciences LLP
- Neophar Alipro Limited ("Neophar")

(d) Relatives of key Management Personnel having transactions with the Holding Company:

- Mr. Tanish Jain, son of Mr. Sandeep Jain
- Mr. Taric Jain, son of Dr. Rajesh Jain and brother of Mr. Ankesh Jain and Mr. Harshet Jain (employed in PBPL with effect from June 1, 2024)

(e) Enterprises over which Key management personnel(s) of PBPL, along with their relatives, are able to exercise significant influence and are having transactions with the Company:

- MR Lex Corp LLP

* considered as a subsidiary for the purpose of consolidation as per Ind AS 110.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(B) Transactions with related parties:

(₹ in million)

S. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
I)	Transactions made during the year:		
a)	Rent income		
	Neophar	0.18	0.18
b)	Interest expense		
	Dr. Rajesh Jain	13.78	13.50
c)	Legal and professional expense		
	MR Lex Corp LLP	2.06	1.24
	Dr. Sanjay Trehan	3.74	0.46
d)	Remuneration		
	Dr. Rajesh Jain	9.00	9.51
	Mr. Sandeep Jain	8.41	8.75
	Mr. Ankesh Jain	4.54	12.07
	Mr. Harshet Jain	3.64	2.77
	Mr. Narotam Kumar Juneja	-	1.83
	Dr. Sanjay Trehan	1.68	-
	Mr. Vinod Goel	8.82	8.34
	Mr. Devender Gupta	7.41	10.27
	Mr. Ankit Jain	1.40	-
	Mr. Tanish Jain	1.69	1.12
	Mr. Taric Jain	2.83	1.91
e)	Directors' sitting fees		
	Mr. Ankesh Jain	0.53	0.12
	Ms. Ambika Sharma	0.98	0.35
	Mr. Krishan Kumar Jalan	0.55	-
	Mrs. Manjula Upadhyay	0.63	0.70
	Mr. Mukul Gupta	1.10	0.41
	Mr. Narotam Kumar Juneja	-	0.24
	Dr. Rajender Pal Singh	0.55	-
	CA. Rajesh Jain	1.81	0.31
	Dr. Venkatesh Sarvasiddhi	0.65	-
II)	Year end balances:		
a)	Borrowings		
	Dr. Rajesh Jain	150.00	150.00
b)	Accrued Interest on loan received		
	Dr. Rajesh Jain	1.65	6.06
c)	Trade payables		
	MR Lex Corp LLP	0.98	0.16
	Dr. Sanjay Trehan	0.33	-
d)	Post-employment benefits		
	Dr. Rajesh Jain	19.68	20.79
	Mr. Sandeep Jain	19.13	20.46
	Mr. Ankesh Jain	1.57	-
	Mr. Harshet Jain	0.57	0.56
	Mr. Narotam Kumar Juneja	-	-
	Dr. Sanjay Trehan	0.03	-
	Mr. Vinod Goel	2.00	2.00
	Mr. Devender Gupta	-	1.79
	Mr. Tanish Jain	0.12	0.06
	Mr. Taric Jain	0.07	0.03
	Mr. Ankit Jain	0.12	NA

Note: All related party transactions are at arms length price and in the ordinary course of business.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

43. Segment information

The Group has determined following reportable segments based on the information reviewed by the Holding Company's management:

- Vaccines
- Pharmaceutical formulations & Nutrition

(A) Information about reportable segments

(₹ in million)

Particulars	Vaccines		Pharmaceutical formulations & Nutrition		Total	
	For the year ended		For the year ended		For the year ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
a) Segment revenue	4,102.56	3,098.43	2,295.18	2,492.51	6,397.74	5,590.94
b) Segment results	(268.44)	(165.22)	194.75	85.74	(73.69)	(79.48)
c) Other Information:						
Segment assets	8,701.43	8,911.86	3,920.34	3,985.60	12,621.77	12,897.46
Total assets	8,701.43	8,911.86	3,920.34	3,985.60	12,621.77	12,897.46
Segment liabilities	3,020.31	3,508.69	1,312.67	1,082.61	4,332.98	4,591.30
Total liabilities	3,020.31	3,508.69	1,312.67	1,082.61	4,332.98	4,591.30
d) Capital expenditure:						
Tangible assets	324.97	296.25	258.91	82.54	583.88	378.79
Intangible assets	97.46	64.91	17.06	21.94	114.52	86.85
Depreciation expense	188.69	204.09	141.91	144.05	330.60	348.14
Total	611.12	565.25	417.88	248.53	1,029.00	813.78

(B) Additional information by geographies

a) Revenue as per geographical markets:

(₹ in million)

Segment	Domestic		Overseas	
	For the year ended		For the year ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Vaccines	1,330.81	929.06	2,771.75	2,169.37
Pharmaceutical formulations & Nutrition	853.70	654.24	1,441.48	1,838.27
Total Revenue	2,184.51	1,583.30	4,213.23	4,007.64

b) Assets (net) as per geographical markets:

Segment	Domestic		Overseas	
	As at		As at	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Vaccines	8,701.43	8,911.86	-	-
Pharmaceutical formulations & Nutrition	3,420.39	3,573.53	499.95	412.07
Total	12,121.82	12,485.39	499.95	412.07

c) Revenue from top one customer contributing more than 10% of consolidated segmental revenue:

Segment	For the year ended	
	March 31, 2026	March 31, 2025
Vaccines - Percentage of total revenues	41.86%	27.36%
Pharmaceutical formulations & Nutrition - Percentage of total revenues	12.06%	11.80%

d) All other assets are located in India therefore separate disclosure for other assets is not presented.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

44. Employee benefits obligations

A. Defined benefit plan

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

Salary increases risk	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount Rate risk	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability risk	Death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals risk	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Gratuity (funded)

The Group provides for gratuity for employees in India as per the Payments of Gratuity Act, 1972 to Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The Group expects to contribute ₹42.10 (March 31, 2025: ₹39.68 million) towards gratuity during next year.

The weighted average duration of the defined benefit obligation as at March 31, 2026 is years 12.87 (March 31, 2025: 13.05 years).

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
a. Reconciliation of present value of defined benefit obligation and the fair value of plan assets:		
Present value of defined benefit obligation as at the end of the year	280.91	264.24
Fair value of plan assets as at the end of the year	65.63	63.05
Net liability position recognised in balance sheet*	215.28	201.19
b. Changes in defined benefit obligation:		
Present value of defined benefit obligation as at the start of the year	264.24	233.42
Adjustment for:		-
Acquisition adjustment		
Interest cost	18.60	16.92
Past service cost	4.79	-
Current service cost	23.93	22.56
Benefits paid for eligible employees	(8.61)	(9.84)
Actuarial (gain) / loss on defined benefit obligations	(22.04)	1.18
Present value of defined benefit obligation as at the end of the year	280.91	264.24
c. Net interest cost:		
Interest cost on defined benefit obligation	18.60	16.92
Interest income on plan assets	4.44	4.30
Net interest cost	14.16	12.62
d. Amount recognised in the statement of profit and loss:		
Current service cost	23.93	22.56
Past service cost	4.79	-
Net interest cost	14.16	12.62
Amount recognised in the statement of profit and loss	42.88	35.18

* The cash flows disclosed are discounted.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(₹ in million)		
Particulars	As at March 31, 2026	As at March 31, 2025
e. Change in plan assets:		
Fair value of the plan assets at the beginning of the year	63.05	59.26
Actual return on plan assets	4.77	4.74
Adjustment in opening funds	-	-
Employer contribution	6.48	8.96
Fund management charges	(0.07)	(0.06)
Benefits paid for eligible employees	(8.61)	(9.85)
Fair value of the plan assets at the end of the year	65.63	63.05
f. Key categories of plan assets as a percentage of the fair value of total plan assets for gratuity:		
Investment with insurer	100%	100%
g. Other comprehensive income:		
Actuarial (gain) / loss arising from change in demographic assumption	-	-
Actuarial (gain) / loss arising from change in financial assumption	(17.00)	0.83
Actuarial (gain) / loss arising from experience adjustment	(5.04)	(2.79)
Actuarial gain / (loss) arising on plan assets	0.26	0.38
Total actuarial loss for the year	(21.78)	(1.58)
h. Net liability recognised in the Balance Sheet:		
Non-current	198.41	191.06
Current	16.17	10.13
i. Actuarial assumptions:		
Discount rate	7.90%	7.04%
Future salary increase	6.00%	6.00%
j. Demographic Assumption:		
Retirement age (years)	60/75	60/75
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal Rate (%)		
Ages		
Up to 30 years	10.00%	10.00%
From 31 to 44 years	5.00%	5.00%
Above 44 years	1.00%	1.00%
k. Sensitivity analysis for gratuity liability**:		
Impact of the change in discount rate:		
a) Impact due to increase of 0.50%	(9.18)	(9.71)
b) Impact due to decrease of 0.50%	9.87	10.47
Impact of the change in salary increase:		
a) Impact due to increase of 0.50%	8.95	9.46
b) Impact due to decrease of 0.50%	(8.49)	(8.88)
l. Maturity profile of defined benefit obligation:		
Within next 12 months	16.39	8.76
Between 1-5 years	74.86	73.18
Beyond 5 years	134.34	133.37

* The cash flows disclosed are discounted.

** The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant and 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 another as some of the assumption 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 balance sheet date, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

B. Other long-term benefit plans represents the compensated absences provided to the employees of the Group

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Current liability - Actuarial	37.69	24.88
Current liability - Others	83.58	79.51
Non-current liability	127.55	133.06
Present value of obligation at the end of the year	248.82	237.45
Changes in present value of other long-term benefit plans		
(a) Present value of obligation at the beginning of the year	157.94	141.29
(b) Acquisition adjustment	-	-
(c) Interest cost	11.12	10.24
(d) Past service cost	-	-
(e) Current service cost	32.43	30.81
(f) Benefits paid	(26.26)	(20.25)
(g) Actuarial loss / (gain)	(9.99)	(4.15)
(h) Others	83.58	79.51
Present value of obligation at the end of the year	248.82	237.45
Expenses recognised in Statement of Profit and Loss:		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee benefits expense:		
Service cost	32.43	30.81
Interest cost	11.12	10.24
Actuarial (gain) / loss	(9.99)	(4.15)
Net actuarial (gain) / loss recognised in the Profit & Loss	33.56	36.90

C. Defined contribution plans

The Group's contribution to state governed provident fund scheme are considered as defined contribution plans. The contribution for the current year is ₹45.90 million (March 31, 2025: ₹44.09 million) is recognised as an expense, when an employee renders the related service. There are no other obligations of the Group, other than the contribution payable to the respective funds.

45. Fair value measurements

A. Financial assets and liabilities

The carrying amounts and fair values of financial instruments by class are as follows:

As at March 31, 2026

(₹ in million)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial Assets:			
(i) Investments	101.03	-	-
(ii) Trade receivables	-	-	735.23
(iii) Cash and cash equivalents	-	-	573.07
(iv) Bank balances other than cash and cash equivalents	-	-	70.64
(v) Loans	-	-	19.40
(vi) Others financial assets	-	-	722.17
Total	101.03	-	2,120.51
Financial Liabilities:			
(i) Trade payables	-	-	1,896.05
(ii) Other financial liabilities	-	-	105.02
Total	-	-	2,001.07

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

As at March 31, 2025	(₹ in million)		
Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial Assets:			
(i) Investments	32.23	-	-
(ii) Trade receivables	-	-	725.57
(iii) Cash and cash equivalents	-	-	821.25
(iv) Bank balances other than cash and cash equivalents	-	-	248.42
(v) Loans	-	-	25.67
(vi) Others financial assets	-	-	750.83
Total	32.23	-	2,571.74
Financial Liabilities:			
(i) Trade payables	-	-	2,257.56
(ii) Other financial liabilities	-	-	98.37
Total	-	-	2,355.93

B. Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement. The different levels of fair value have been defined below:

Level 1: Quoted prices (unadjusted) in an active market for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements (₹ in million)

Investments:	Level 1	Level 2	Level 3
As at March 31, 2026	100.33	0.70	-
As at March 31, 2025	31.53	0.70	-

B.2 Financial assets and liabilities are measured at amortised cost. All the financial assets and liabilities valued at amortised cost form part of Level 3 of hierarchy table. Further, the carrying amounts of trade receivables, cash and cash equivalents, consignment debtors, interest accrued, other receivables, other bank balances, trade payables, employee payables and other current payables are considered to be the same as fair values, due to their short term nature. The fair value of all financial assets and financial liability, approximates the amortised cost due to their short term nature. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of loans to employees and security deposits approximates the carrying amount.

46. Financial risk management

Risk management framework

The Group's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the consolidated financial statements.

A. Credit risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counter parties and incorporates this information into its credit risk controls.

A.1 Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Group provides for expected credit loss based on the following:

Asset Company	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, Bank balances other than cash and cash equivalents, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss or 12 month expected credit loss*
High credit risk	Trade receivables and loans	Life time expected credit loss or fully provided for

* In respect of trade receivables, the Group recognises a provision for lifetime expected credit losses.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Particulars	Credit rating	(₹ in million)	
		As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	A: Low credit risk	573.07	821.25
Bank balances other than cash and cash equivalents	A: Low credit risk	385.60	887.19
Loans	A: Low credit risk	19.40	25.67
Other financial assets	A: Low credit risk	407.21	112.06
Trade receivables	B: Medium credit risk	735.23	725.57
Trade receivables	C: High credit risk	68.00	50.56
Other financial assets	C: High credit risk	6.63	6.79

Cash and cash equivalents and bank deposits: Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables: Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become two year past due.

Other financial assets measured at amortised cost: Other financial assets measured at amortized cost includes security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

A.2 Expected credit losses for financial assets other than trade receivables

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of loans, comprising of security deposits, credit risk is considered low because the Group is in possession of the underlying asset. However, in respect of loans comprising loans to related parties, credit risk is evaluated on the basis of credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. In respect of other financial assets, credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. In respect of other financial assets, credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Group does not have any expected loss based impairment recognised (except in case of loans to related parties) on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

As at March 31, 2026 (₹ in million)				
Particulars	Estimated gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	573.07	-	-	573.07
Bank balances other than cash and cash equivalents	385.60	-	-	385.60
Loans	19.40	-	-	19.40
Other financial assets	413.84	1.60%	6.63	407.21

As at March 31, 2025 (₹ in million)				
Particulars	Estimated gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	821.25	-	-	821.25
Bank balances other than cash and cash equivalents	887.19	-	-	887.19
Loans	25.67	-	-	25.67
Other financial assets	118.85	5.71%	6.79	112.06

Reconciliation of loss allowance (₹ in million)	
Particulars	Amount
Loss allowance as on April 01, 2024	7.10
Expected loss recognised / (reversed) during the year	(0.31)
Loss allowance as on March 31, 2025	6.79
Expected loss recognised / (reversed) during the year	(0.16)
Loss allowance as on March 31, 2026	6.63

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

A.3 Expected credit loss for trade receivables under simplified approach

The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein the Group has defined percentage of provision by analysing historical trend of default relevant to each category of customer based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met). Further, the Group has other trade receivables for ₹55 million (March 31, 2025: ₹36.74 million) from one party and ₹508.03 million (March 31, 2025: ₹503.86 million) against which it is carrying unsecured payables for corresponding amount for those default criteria are not met are not included in the below table.

As at March 31, 2026 (₹ in million)

Particulars	Not Due	Post due days						Total
		0-30 days	31-90 days	91-182 days	183-365 days	366-730 days	More than 730 days	
Gross carrying amount	42.57	87.06	15.74	29.76	6.34	8.36	50.37	240.20
Expected loss rate	0.18%	1.83%	3.50%	31.80%	36.51%	43.49%	100.00%	28.31%
Expected credit loss	0.08	1.59	0.55	9.46	2.31	3.64	50.37	68.00
Carrying amount (net of impairment)	42.49	85.47	15.19	20.30	4.03	4.72	-	172.20

As at March 31, 2025 (₹ in million)

Particulars	Not Due	Post due days						Total
		0-30 days	31-90 days	91-182 days	183-365 days	366-730 days	More than 730 days	
Gross carrying amount	117.18	35.90	32.38	5.75	6.04	3.23	35.05	235.53
Expected loss rate	1.38%	0.22%	18.37%	43.64%	59.11%	55.17%	100.00%	21.46%
Expected credit loss	1.62	0.08	5.95	2.51	3.57	1.78	35.05	50.56
Carrying amount (net of impairment)	115.56	35.82	26.43	3.24	2.47	1.45	-	184.97

Changes in allowance for trade receivables (₹ in million)

Particulars	Amount
As at March 31, 2024	42.55
Movement during the year	8.01
As at March 31, 2025	50.56
Movement during the year	17.44
As at March 31, 2026	68.00

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in day-to-day business. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

B.1 Contractual Maturities of financial liabilities

The tables below analyse the Group's financial liabilities based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2026 (₹ in million)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings including interest thereon	15.15	160.13	-	173.47	348.75
(ii) Trade payables	1,896.05	-	-	-	1,896.05
(iii) Other financial liabilities	64.25	-	-	-	64.25
Total	1,975.45	160.13	-	173.47	2,309.05

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

As at March 31, 2025	(₹ in million)				
Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings including interest thereon	19.50	13.50	160.13	173.47	366.60
(ii) Trade payables	2,257.56	-	-	-	2,257.56
(iii) Other financial liabilities	76.11	-	-	-	76.11
Total	2,353.17	13.50	160.13	173.47	2,700.27

C. Market risk

(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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's non-current and current debt obligations financed with fixed interest rates. The Group always try to ensure minimum cash outflows. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility (the loans are repaid in the current year). Accordingly, the Group is not exposed to fluctuation in interest rate risk on borrowings.

(ii) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the United States Dollar (USD), EURO, Swiss Franc (CHF), Pound Sterling (GBP), Russian Rouble (RUB), Singapore Dollar (SGD) and Swedish Krona (SEK). Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. The Group does not use any derivative instruments to manage its exposure. Also, the Group does not use forward contracts and swaps for speculative purposes.

(a) Foreign currency denominated financial assets and liabilities, translated at the closing rate:

Particulars in Foreign currency	As at March 31, 2026			As at March 31, 2025		
	Amount in foreign currency	Closing rate (in ₹)*	Amount in reporting currency (₹ in million)	Amount in foreign currency	Closing rate (in ₹)*	Amount in reporting currency (₹ in million)
I. Financial assets:						
Balance with banks						
USD	636,319	93.99	59.81	803,098	85.47	68.64
Euro	3,911,964	107.81	421.74	3,730,851	92.41	344.77
CHF	-	-	-	-	-	-
RUB	25,604	1.16	0.03	1,071,204	1.03	1.10
Accrued receivable						
USD	695,248	93.99	65.35	884,437	85.47	75.59
Trade receivable						
Euro	2,266,641	107.81	244.36	2,174,208	92.41	200.92
CHF	-	-	-	92,484	96.45	8.92
USD	3,193,694	93.99	300.18	5,179,270	85.47	442.67
Interest receivable						
USD	-	89.59	-	-	-	-
II. Financial liabilities:						
Foreign trade payable						
USD	8,203,368	93.99	771.05	13,467,621	85.48	1,151.22
Euro	340,821	107.81	36.74	473,493	92.42	43.76
GBP	162	124.21	0.02	162	110.34	0.02
CHF	4,910	117.44	0.58	65,850	96.56	6.36
SGD	-	-	-	1,976	63.60	0.13
RUB	115,000	1.16	0.13	2,642,899	1.03	2.72
SEK	22,420	9.84	0.22	16,820	8.51	0.14
III Net exposure						
USD	(3,678,107)	-	(345.71)	(6,600,815)	-	(564.32)
Euro	5,837,784	-	629.36	5,431,566	-	501.93
GBP	(162)	-	(0.02)	(162)	-	(0.02)
CHF	(4,910)	-	(0.58)	26,634	-	2.56
RUB	(89,396)	-	(0.10)	(1,571,695)	-	(1.62)
SGD	-	-	-	(1,976)	-	(0.13)
SEK	(22,420)	-	(0.22)	(16,820)	-	(0.14)

* Closing exchange rate has been rounded off to two decimal places.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(b) Sensitivity analysis of change in rates of material foreign currencies on profit / (loss) after tax and equity

Particulars	+/(-) in basis points	Impact on Profit / (loss) for the year ended	
		(₹ in million)	
		March 31, 2026	March 31, 2025
USD	+200	(5.17)	(8.45)
	-200	5.17	8.45
Euro	+500	23.55	18.78
	-500	(23.55)	(18.78)
CHF	+200	(0.01)	0.04
	-200	0.01	(0.04)

47. Group information

Information about subsidiary/entity consolidated

Name of entity	Country of Incorporation	Proportion (%) of equity interest	
		As at	As at
		March 31, 2026	March 31, 2025
Subsidiaries of Panacea Biotec Limited			
Meyten Realtech Private Limited	India	100.00%	100.00%
Panacea Biotec Pharma Limited	India	100.00%	100.00%
Panacea Biotec (International) SA [†]	Switzerland	100.00%	100.00%
Panacea Biotec Inc. ^{##}	USA	100.00%	100.00%
PanEra Biotec Private Limited*	India	50.00%	50.00%
Adveta Power Private Limited [†]	India	75.00%	75.00%

* Excluding name of step down subsidiary, since consolidated financial information of that entity is used for preparing these Consolidated Financial Statements.

** Wholly owned subsidiary of Panacea Biotec Pharma Limited incorporated on April 9, 2024.

* Considered as subsidiary for the purpose of consolidation as per Ind AS 110.

48. Additional information of the enterprises consolidated as subsidiaries / entities consolidated, as required under Schedule III of the Companies Act, 2013:

March 31, 2026		(₹ in million)							
S. No.	Name of entity	Net assets (assets minus liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	Parent								
	Panacea Biotec Limited	65.17%	5,402.17	169.16%	(121.17)	249.91%	135.60	-83.07%	14.43
	Subsidiary								
1	Meyten Realtech Pvt. Ltd.	3.64%	301.82	7.11%	(5.09)	0.00%		29.30%	(5.09)
2	Panacea Biotec Pharma Limited	26.30%	2,179.80	-90.14%	64.57	6.84%	3.71	-393.10%	68.28
3	Panacea Biotec (International) SA*	4.56%	377.75	-20.86%	14.94	-167.12%	(90.68)	436.04%	(75.74)
4	Panacea Biotec Inc.	0.81%	50.12	31.91%	(22.86)	0.00	5.63	99.19%	(17.23)
5	PanEra Biotec Private Limited*	-0.25%	(20.45)	2.75%	(1.97)	0.00%	-	11.34%	(1.97)
6	Adveta Power Private Limited*	-0.03%	(2.42)	0.07%	(0.05)	0.00%	-	0.29%	(0.05)
	Total	100.21%	8,288.79	100.00%	(71.63)	89.62%	54.26	100.00%	(17.37)

* Excluding name of step down subsidiary, since consolidated financial information of that entity is used for preparing these Consolidated Financial Statements.

* Considered as subsidiary for the purpose of consolidation as per Ind AS 110.

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Notes to the Consolidated Financial Statements for the year ended March 31, 2026

March 31, 2025		(₹ in million)						
S. No.	Name of entity	Net assets (assets minus liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income
Parent		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income
	Panacea Biotech Limited	61.68%	5,123.50	41.92%	(36.55)	261.53%	29.03	9.88%
	Subsidiary							
1	Meyten Realtech Pvt. Ltd.	3.62%	300.48	21.02%	(18.33)	0.00%	-	24.09%
2	Panacea Biotech Pharma Limited	30.07%	2,497.29	70.27%	(61.27)	-12.43%	(1.38)	82.34%
3	Panacea Biotech (International) SA [#]	4.07%	338.35	-16.14%	14.07	-149.10%	(16.55)	3.26%
4	Panacea Biotech Inc. ^{##}	0.81%	67.35	-20.53%	17.90	0.00%	-	-23.52%
5	PanEra Biotech Private Limited*	-0.22%	(18.42)	3.49%	(3.04)	0.00%	-	4.00%
6	Adveta Power Private Limited*	-0.03%	(2.39)	-0.03%	0.03	0.00%	-	-0.04%
	Total	100.00%	8,306.16	100.00%	(87.19)	100.00%	11.10	100.00%

[#] Excluding name of step down subsidiary, since consolidated financial information of that entity is used for preparing these Consolidated Financial Statements.

^{##} Wholly owned subsidiary of Panacea Biotech Pharma Limited incorporated on April 9, 2024.

* Considered as subsidiary for the purpose of consolidation as per Ind AS 110.

49. Capital management policies

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position recognised in other comprehensive income.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. The amounts managed as capital by the Group are summarised as follows:

Particulars	(₹ in million)	
	As at March 31, 2026	As at March 31, 2025
Non-current borrowings	236.64	222.06
Interest accrued - non current	1.65	6.06
	238.29	228.12
Less: Cash and cash equivalents	(573.07)	(821.25)
Net debt	(334.78)	(593.13)
Total equity	8,288.79	8,306.16
Net debt to equity ratio	-4.04%	-7.14%

50. Reconciliation of liabilities arising out of financing activities

The changes in the Group's liabilities arising from financing activities are classified as follows:

Particulars	(₹ in million)		
	Long term borrowings*	Short term borrowings	Total
As at April 1, 2025	222.06	-	222.06
Cash changes:			
- Repayments	-	-	-
Other non-cash changes			
- Interest on financial liability component of compound financial instruments	14.58	-	14.58
As at March 31, 2026	236.64	-	236.64

*including current maturities of long term borrowings

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

(₹ in million)			
Particulars	Long term borrowings*	Short term borrowings	Total
As at April 1, 2024	209.94	-	209.94
Cash changes:			
- Repayment	-	-	-
Other non-cash changes			
- Interest on financial liability component of compound financial instruments	12.12	-	12.12
As at March 31, 2025	222.06	-	222.06

*including current maturities of long term borrowings

51. Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at year end are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity [#]	Place of business/ country of incorporation	Ownership interest held by the Group		Ownership interest held by non- controlling interest		Principal activities
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	
		%	%	%	%	
Meyten Realtech Private Limited	India	100	100	-	-	Real estate
Panacea Biotech Pharma Limited	India	100	100	-	-	Pharmaceuticals
Panacea Biotech (International) SA	Switzerland	100	100	-	-	Pharmaceuticals
Panacea Biotech Germany GmbH	Germany	100	100	-	-	Pharmaceuticals
Panacea Biotech Inc.	USA	100	-	-	-	Pharmaceuticals
PanEra Biotech Private Limited*	India	50	50	50	50	NA
Adveta Power Private Limited*	India	75	75	25	25	NA

* Considered as subsidiary for the purpose of consolidation as per Ind AS 110.

(b) Non-controlling interests (NCI)

Set out below is summarised financial information (before inter-company eliminations) for each subsidiary that has non-controlling interests that are material to the Group.

(₹ in million)				
Summarised balance sheet	PanEra Biotech Private Limited		Adveta Power Private Limited	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Current assets	6.39	32.31	0.14	0.17
Current liabilities	28.74	26.72	29.05	28.93
Net current assets (A)	(22.35)	5.59	(28.92)	(28.76)
Non-current assets	1.30	2.18	-	-
Non-current liabilities	82.94	76.15	0.64	0.59
Net non-current assets (B)	(81.64)	(73.97)	(0.64)	(0.59)
Net assets (A+B)	(103.99)	(68.38)	(29.55)	(29.35)
Accumulated Non-controlling interests	(52.00)	(34.19)	(7.39)	(7.34)

(₹ in million)				
Summarised statement of profit and loss	PanEra Biotech Private Limited		Adveta Power Private Limited	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations	-	-	-	-
Profit/(Loss) of the year	(1.97)	(6.88)	(0.05)	(0.21)
Other comprehensive income	-	-	-	-
Total comprehensive income/(losses)	(1.97)	(6.88)	(0.05)	(0.21)
Profit/(Loss) allocated to Non-controlling interests	(0.99)	(3.44)	(0.01)	(0.05)
Dividend paid to Non-controlling interests	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

Summarised cash flows	PanEra Biotec Private Limited		Adveta Power Private Limited	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from operating activities	(0.18)	(0.44)	(0.02)	(0.06)
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	(0.09)	(0.33)	(0.01)	(0.00)
Net increase / (decrease) in cash and cash equivalents	(0.27)	(0.77)	(0.03)	(0.06)

(c) There are no transactions with non-controlling interests.

52. The Board of Directors of the Holding Company and Panacea Biotec Pharma Limited ("PBPL") had in their respective meetings held on February 01, 2022, approved sale of PBPL's pharmaceutical formulations brands in India and Nepal including related trademarks, copyrights etc., including identified employees to Mankind Pharma Limited (the "Buyer") for a consideration of ₹18,720.00 million plus applicable taxes. The said transaction was approved by the shareholders of PBPL and the Holding Company in their respective meetings held on February 23, 2022 and February 26, 2022, respectively. Subsequently, the Holding Company and PBPL signed definitive agreements including the asset purchase agreement with the Buyer on February 28, 2022. Out of the total consideration, PBPL has recognised revenue of ₹109.25 million (March 31, 2025: ₹359.94 million) which is shown as an "Exceptional Item" in the Statement of Profit and Loss of PBPL and the Consolidated Statement of Profit and Loss of the Group. The remaining consideration of ₹101.80 million (March 31, 2025: ₹211.05 million) would be recognised as revenue in subsequent years and is shown as Contract Liability in the financial statements of PBPL and the consolidated financial statements of the Group.

Further, revenue of ₹85.71 million (year ended March 31, 2025: Nil) is also shown as "Exceptional Item", pursuant to the settlement agreement dated July 9, 2025 executed with Apotex Inc., USA ("Apotex") to settle the ongoing dispute between Apotex and the Company & PBPL.

53. For the financial year ended March 31, 2026, the Group has incurred loss (including other comprehensive income) of ₹17.37 million (year ended March 31, 2025: loss of ₹76.09 million). However, the retained earnings of the Group are positive to the extent of ₹7,760.55 million (March 31, 2025: ₹7,799.13 million). The surplus funds remaining with the Group out of the sales of pharmaceutical formulations brands in India and Nepal in March 2022 have helped in strengthening the working capital position, setting up new facilities for enhancement of capacities for manufacturing of vaccines drug substance, scaling up Group's nutrition and pharmaceutical formulations business and pursuing other business opportunities. The Holding Company has already received higher long-term awards from United Nations Children's Fund (UNICEF) and Pan American Health Organisation for supply of pentavalent vaccine and awards from UNICEF for supply of bivalent oral polio vaccine. Based on these measures and continuous efforts to improve the business performance, the management has prepared the financial statements on going concern basis.

54. (a) In view of the Holding Company's decision to make the structure of overseas subsidiaries more efficient and aligned to business objectives and to save management and administrative expenses thereof, the Holding Company has decided to wind up Panacea Biotec (International) SA ("PBS") in due course. Accordingly, the Holding Company has created Provision for impairment on its investment in PBS. Owing to accumulated losses in PBS and its wholly-owned subsidiary, Panacea Biotec Germany GmbH (PBGG), the Holding Company has continued to maintain the provision for bad and doubtful advances in respect of the loans receivable and accrued interest from PBS and PBGG amounting to ₹156.92 million and ₹518.07 million, respectively, as on March 31, 2026 (March 31, 2025: ₹139.00 million and ₹458.90 million, respectively).

(b) The Holding Company has applied with the authorized dealer the bank to seek permission from Reserve Bank of India for writing off an amount of ₹585.16 million which was receivable from the Holding Company's wholly owned subsidiary Rees Investments Ltd. ("Rees"), which was compulsorily liquidated and dissolved by the authorities of Guernsey on May 23, 2019. Pending such approval, the Holding Company is continuing to maintain the provision for bad and doubtful advances of ₹585.16 million (March 31, 2025: ₹585.16 million) in respect of the loan and accrued interest receivable from Rees.

55. The Board of Directors of the Holding Company and PBPL, Associate (PanEra Biotec Pvt. Ltd ("PanEra")) and Joint Venture (Adveta Power Pvt. Ltd. ("Adveta")) approved the merger of PanEra and Adveta with PBPL in their meeting held on May 18, 2022 in case of Holding Company and PBPL and May 16, 2022 in case of PanEra and Adveta. The approvals of Shareholders of respective Companies, the Hon'ble National Company Law Tribunal (NCLT) and other requisite concerned authorities is yet to be taken.

56. Under the collaboration with the Human Vaccine Limited Liability Company, Russia ("HV"), an indirect wholly-owned subsidiary of Joint Stock Company "Management Company of Russian Direct Investment Fund" for manufacture of Covid-19 vaccine using the technology to be provided by HV, the Holding Company had received from HV an advance amount of US\$ 7.00 million in November 2020, out of which ~US\$ 6.58 million was used to meet the revenue expenses relating to Sputnik-V and Sputnik Light vaccine project. The Holding Company believes that due to the failure on the part of HV to demonstrate & transfer the technology and certain other reasons beyond the Holding Company's control, the complex process of technology transfer and manufacture of Sputnik-V vaccine could not be completed successfully and the Technology Transfer Agreement dated October 22, 2020 entered into between HV and the Holding Company ("TTA") for manufacturing of Covid-19 vaccine stood frustrated and accordingly both the parties stood automatically discharged from their obligations by operation of law. The Holding Company is thus entitled to adjust the same against the advance received from HV. The Holding Company has already conveyed its position to HV and has offered to refund the balance amount of US\$ 0.42 million and provided relevant details / documents pertaining to the said expenses. On July 1, 2024, the Holding Company received a copy of Request for Arbitration filed by HV with London Court of International Arbitration ("LCIA") for initiating arbitration alleging that the Holding Company

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

has been in alleged breach of its obligations under the TTA and is thus liable to refund the advance payment of US\$7.00 million plus interest thereon as may be awarded over the course of arbitration. Both parties have appointed the sole arbitrator in this matter. The Holding Company is taking requisite steps to safeguard its interest and has filed its response along with witness statements and counter claims against HV. Further arbitration proceedings, including cross examinations etc. shall be completed in due course. Based on the Holding Company's assessment, duly supported by legal advice, the Holding Company believes that it will not be liable to pay back the amount adjusted towards wasted expenses and costs under dispute with HV and the outcome of this arbitration proceeding is not reasonably expected to have any material financial impact on the Holding Company.

57. In August 2021, the Holding Company entered into a Licensing and Manufacture Agreement with HV, Generium JSC and Dr. Reddy's Laboratories Limited ("DRL"). As per the terms of the agreement, the Holding Company was to undertake fill-and-finish activities of Sputnik-V vaccine using the ready-to-fill drug substance supplied by Generium and supply the Sputnik-V vaccine so produced to DRL. Pursuant to the said agreement, the Holding Company received drug substance from Generium and produced ~1.96 million doses of Sputnik-V vaccine out of which DRL purchased ~0.86 million doses only and refused to purchase and pay for the remaining ~1.10 million doses. Because of breach of their respective obligations by DRL and Generium, the pending payment of ~US\$ 7.41 million for the drug substance received from Generium could not be made. After several rounds of discussion among the parties to settle the dispute amicably, Generium has filed notice of arbitration with Singapore International Arbitration Centre (SIAC) for arbitration of dispute with respect to the said pending payment and interest thereon totaling ~US\$ 8.90 million. The Holding Company has also initiated a parallel arbitration proceeding regarding its claims against DRL, Generium and Human Vaccine and filed notice of arbitration with SIAC during the financial year 2023-24. At the Holding Company's request, SIAC has clubbed both the arbitration proceedings together. The parties have appointed sole arbitrator. All the parties involved in the Arbitration have filed claims and counter claims against each other. The witness statements, cross examination and closing submissions have been completed, and the arbitration award is now awaited. The Holding Company has obtained legal opinion from its legal counsel who, have opined that (a) the Holding Company has a reasonable defence against the claims brought by Generium, DRL and HV; and (b) the possibility of any such claim falling to the Holding Company may be classified as low at this stage.

58. Additional regulatory information required by Schedule III under Companies Act 2013:

- (i) The Group entities do not have any Benami Property, where any proceeding has been initiated or pending against them for holding any Benami property.
- (ii) The Group entities do not have any transactions with struck off companies.
- (iii) The Group entities do not have any charges or satisfaction of charge which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Group entities have not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (v) The Group entities have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding 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 to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group entities have not received any fund from any other person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that they 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; or
 - provide any guarantee, security or the like to or on behalf of the Funding Party.
- (vii) The Group entities have not entered into any transaction which is not recorded into the books of accounts that has been surrendered or disclosed as income during the 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).
- (viii) The Group entities have not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Group entities have complied with the number of layers prescribed under Section 2(87) of the Act read with the Companies (Restriction on Number of Layers) Rules, 2017.
- (x) No scheme of arrangements has been approved by the Competent Authority in term of Sections 230 to 237 of the Companies Act, 2013, during the year and previous year.
- (xi) The Group entities do not have any borrowings from banks or financial institutions against security of their current assets.
- (xii) The title deeds of the immovable properties owned by the Group entities are held in the name of respective Group entities.

59. In October 2023, the Holding Company received notice from the International Court of Arbitration, Paris ("ICC") intimating commencement of an Arbitration proceeding pursuant to the request filed by Apotex Inc., claiming an amount of US\$ 118.14 million towards outsized alleged losses plus interest thereon under the Collaboration Agreement dated May 09, 2014 entered into between Apotex Inc. and the

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

Holding Company. The said agreement was subsequently assigned and novated in favour of Panacea Biotec Pharma Limited ("PBPL") wholly owned subsidiary of the Holding Company. The Holding Company submitted its response to the notice of arbitration rebutting the claims raised by Apotex citing novation of the said agreement in favour of PBPL. Apotex subsequently filed request for joinder of PBPL in the said arbitration proceedings, raising the claim against the Holding Company and PBPL aggregating to US\$163.24 million, which was objected by the Holding Company and PBPL. The management believed that the Holding Company and / or PBPL is not in breach of its obligations and the claims filed by Apotex are frivolous, unsubstantiated, premised on fundamental factual misstatements and incorrect legal assumptions regarding the Collaboration Agreement and contrary to the overwhelming facts and evidence. Both sides appointed their respective arbitrators, and these arbitrators nominated the third arbitrator as the chairman of the arbitration tribunal. PBPL also filed a request for arbitration before ICC with respect to dispute with Apotex raising a claim of US\$ 9.90 million towards PBPL's share of profit from sale of authorized generic products sold by Apotex during financial year 2022-23 in USA under the terms of the said Collaboration Agreement and the settlement agreement signed among the Parties including the innovator company. ICC combined the two arbitrations proceedings and thereafter the initial arbitration proceedings were started. During financial year 2025-26, both the parties have executed a Settlement Agreement dated July 3, 2025 recording full and final settlement of the disputes forming part of the arbitration. Pursuant to the settlement Apotex has inter-alia, agreed to pay US\$ 5.0 million in 2 tranches (US\$ 2.5 million within 30 days and US\$ 2.5 million upon receipt of final USFDA approval of the ANDA). The Arbitration Tribunal has made the Consent Award on September 12, 2025 in this regard.

- 60.** The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Management of each company (incorporated in India) in the Group has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except the audit trail feature was not enabled at the database level for an accounting software to log any direct data changes, used for maintenance of all accounting records of the Group.

Further, the audit trail feature has not been tampered with during the year and the audit trail, to the extent maintained in the prior years, has been preserved by the Group as per the statutory requirements for the record retention.

- 61.** On November 21, 2025, the Government of India notified provisions of 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 ('Labour Codes') which consolidate 29 (twenty-nine) existing labour laws into a unified framework governing employee benefit during employment and post-employment. The Labour Codes, amongst other things, introduces changes including a uniform definition of wages. The incremental impact of these changes, assessed by the Company, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, has been accounted for accordingly. Once Central / State Rules are notified by the Government upon all the aspects of the Labour Codes, the Group entities incorporated in India shall evaluate additional impact, if any, on the measurement of employee benefits and would provide appropriate accounting effect.
- 62.** 0.00 under "₹ in million" represents amount less than ₹50,000 and 0.00 under units represents units less than 50,000. Further, the figures shown in the tables may not exactly add up due to rounding off. Previous year figures have been regrouped, reclassified wherever considered necessary. The impact of such reclassification / regrouping is not material to the financial statements.
- 63.** There are no other subsequent events that occurred after reporting date.

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants

Sd/-
Kapil Kedar
Partner
Membership No. 094902

For and on behalf of Board of Directors of Panacea Biotec Limited

Sd/-
Dr. Rajesh Jain
Chairman and Managing Director
(DIN 00013053)

Sd/-
Sandeep Jain
Joint Managing Director
(DIN 00012973)

Sd/-
Vinod Goel
Group CFO and Head Legal &
Corporate Governance

Sd/-
Amit Gupta
General Manager
Accounts & Taxation

Sd/-
Ankit Jain
General Manager Legal &
Company Secretary

Place : New Delhi
Date : May 30, 2026

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