



Report of the Board of Directors

To
The Members of
Laurus Labs Limited

Your Directors have pleasure in presenting the 21st Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2026.

Financial highlights

(₹ in crores)

Particulars	Consolidated		Standalone	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	6,813	5,554	6,089	5,217
Other income	48	60	31	65
Total income	6,861	5,614	6,120	5,282
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	1,826	1,115	1,469	1,009
Depreciation/Amortization	480	430	379	359
Finance costs (net)	164	201	96	146
Profit before tax (PBT)	1,182	484	994	504
Tax expense	292	130	254	124
Profit after tax and before share of profit/ (loss) from associates and joint venture	890	354	740	380
Share of profit/ (loss) from associates and joint venture, net of tax	0	4	-	-
Profit after share of profit/(loss) from associates and joint venture	890	358	-	-
Profit attributable to:				
Equity holders of the parent company	889	358	-	-
Non-controlling interests	1	0	-	-
Closing balance of retained earnings	4,429	3,626	4,359	3,705

Company's Affairs

Operations

During the year under review, on consolidated basis the Company has achieved a turnover of ₹ 6,813 Crores, representing growth of 23% and EBITDA of ₹ 1,826 Crores representing 64% growth. The net profit for the year was ₹ 889 crores with a growth of 148%. Gross margins improved by over 5% pts to 60.4% due to favorable CDMO mix. On standalone basis, the Company has achieved a turnover of ₹ 6,089 Crores, representing growth of 17% and EBITDA of ₹ 1,469 Crores representing 46% growth. The net profit of ₹ 740 crores with a growth of over 95%.

The results for the year under review demonstrate the strength of the Company's business and gave confidence in Company's outlook. The Balance sheet remain well positioned to support key CAPEX program ahead with continued focus on operational excellence.

FY 26 performance was significantly accelerated, delivering strong revenue growth and expanded profitability, backed by successful commercial supplies for NCE programs, new launches ramp-up and sustained leadership in Anti-retroviral segment.

The summary of key highlights for the year under review are:

- CDMO business (small molecule) reported revenues of ₹ 1,896 Crores, during FY26; increased by 38% from late-stage pipeline, commercial NCE API supplies, ramp-up of the growth projects. Sustained clinical and commercial contracting across technologies and sites driving good growth outlook. Advancing on commercial peptides manufacturing capability. Pipeline momentum remained healthy across Human health, Animal health and Crop science.
- CDMO Bio business reported revenues of ₹ 184 Crores, during FY26; increased by 15%. Reported healthy growth through revenue diversification. Continued pipeline progress on larger Global accounts across AOF and CDMO business
- Affordable Medicines (Generics) division reported revenues of ₹4,733 Crores, during FY26, increased by 18%. Strong performance driven by volume growth in ARV portfolio and ramp up of the select molecules in US and EU region. Continued investment in Capacities, integrated CMO, and expanding footprint across Developed market and Emerging market to support FY27. KRKA JV: FDF facility construction work going as per plan; Phase-1 manufacturing blocks to be ready by mid-2027.



- The Government of Andhra Pradesh has allotted 531.77 acres of land in Anakapalli District in Andhra Pradesh to the Company for establishment of Laurus Pharma Zone (LPZ) for setting up of manufacturing units for Pharma products. The Company has projected ₹ 5,630 Crores of investment and direct/ indirect employment to 6,350 people in three phases over a period of eight years. The proposed investments to support future business expansion, augmenting our offerings across manufacturing scale and new technologies.
- Strengthening large-scale manufacturing network & capabilities to support customers.
- Enabling technology platforms.
- Exemplary quality track record - commitment to "One Quality standard for all Markets".
- ARV de-risking continues: Transformation continues with consistent rise in CDMO revenue share.
- FY26 CAPEX at 16% of sales with continued advancement in on-going investment program to enable future growth across technologies. Capex Intensity to increase over FY27-28 to support growth projects across Small molecule (Human & Animal health), Fermentation, Peptides, and Gene therapy/ ADC.
- Declared 2nd interim dividend of ₹ 1.20 per share for FY26, 1st interim dividend was ₹ 0.80 per share.
- 132 quality audits in FY26 have been completed by various customers and regulatory agencies without any critical findings
- The Company is advancing ESG agenda and enhancing competitive edge:
 - Listed consecutively in S&P Global Sustainability yearbook for 2026 and 2025.
 - Achieved S&P Global Corporate Sustainability Assessment (CSA) score of 81 out of 100 in the category of pharmaceutical companies (previous year was 71).
 - Consecutive "BBB" ratings in FY22-26 from MSCI ESG ratings.
 - Investment in green energy to access renewable energy (Solar + wind), to be available from Q4FY27. This will enable to source around 50% of energy through renewable source.
 - Committed to the United Nations Global Compact (UNGC) in support of its ten sustainability principles.
 - Commenced process of establishing GHG targets aligned with SBTi standards.
 - Focus on decarbonizing products. Advanced foam tender installed across manufacturing sites.

- Increased use of green technologies and intelligent equipment.
- The Company was certified as Great Place to Work in sixth consecutive year.
- ImmunoACT, Mumbai, the associate of the Company treated around 600 patients suffering with Lymphoma and Lukemia with NexCAR-19. ImmunoACT is first company to launch commercial CAR_T therapy and expanding its facilities to create capacity for over 2000 treatments annually. ImmunoACT also got approval to carry phase 1 clinical trial for pediatric usage of NexCAR-19 and also carry phase 1 clinical trial for an additional program to treat multiple myeloma (BCMA).

Outlook

Business prospects will remain positive based on increased CDMO Opportunities for Global customers, CMO opportunities for generic companies, expanded business Opportunities for Generics. The transformation of Company's portfolio is well underway, and momentum is building. The Company is making significant investments in novel technologies, scale and strengthening integrated capabilities offerings towards laying foundation for future growth. In the face of macro-economic volatility, the Company's business model has proven resilient and remain well positioned to execute on growth strategy with continued progress on EHS/ ESG initiatives.

Currently, we are managing several capex growth projects, which will be executed in the next 2 years. We will continue to invest in portfolio, focusing on product complexity, scale and sustainable technology platforms. We remain committed to advancing quality systems, meeting highest compliance standards from clients and global regulators as well.

More details have been given in the Management Discussion and Analysis Report which forms part of the Integrated Report 2026.

Composite Scheme of Amalgamation

During the year under review, the Board of Directors of the Company, at their meeting held on August 21, 2025, has approved the Composite Scheme of Arrangement ("the Scheme") between Laurus Synthesis Private Limited (LSPL) ("Demerged Company" or "Transferor Company"), Sriam Labs Private Limited (Sriam) ("Resulting Company"), both wholly-owned Subsidiaries of the Company and Laurus Labs Limited ("Transferee Company" or "the Company") and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("the Act").

The Scheme inter alia provides for:

- i) The demerger of LSPL, whereby the Identified Business Undertaking, i.e., Unit-1 of LSPL, shall be demerged and be merged with Sriam; and
- ii) Amalgamation of the Remaining Business Undertaking of LSPL (i.e., entire LSPL excluding Unit-1) with the Company.

The Scheme is proposed for the ease of doing businesses by the group companies and consolidation of the businesses held by the subsidiaries. The demerger will enable consolidation of like businesses held by the subsidiaries under the Resulting Company for greater integration, financial strength and flexibility which will facilitate ease of doing business and operations, whereas the amalgamation will assist in achieving consolidation, greater integration, financial strength and flexibility which will maximize overall shareholders' value, facilitate ease of doing business and simplify the overall group structure.

The aforesaid companies have filed the requisite application along with the Scheme with the Hon'ble National Company Law Tribunal ("NCLT"), Amaravati Bench, Andhra Pradesh. In terms of the Hon'ble NCLT order dated February 24, 2026, meetings of the unsecured creditors of LSPL and Sriam were held on April 6, 2026 and the unsecured creditors of the respective companies unanimously approved the resolution in favour of the Composite Scheme of Arrangement. Further, the Hon'ble NCLT has dispensed with the requirement of meetings of the equity shareholders and secured creditors of all the applicant companies, as well as the meeting of the unsecured creditors of the Company.

The implementation of the Scheme is now subject to the final approval and sanction from the competent authorities.

Dividend

The Board had declared the 1st interim dividend @ 40% (i.e., Re.0.80/- per share of the face value of ₹ 2/- each) on October 23, 2025 and paid to the shareholders in November, 2025 and the 2nd Interim dividend @ 60% (i.e., ₹ 1.20 per share of the face value of ₹ 2/- each) is declared on April 30, 2026 and the said dividend will be paid on May 20, 2026 to the shareholders, aggregating to 100% dividend i.e., ₹ 2 per share of the face value of ₹ 2/- each relating to the FY 2025-26. The dividend payout ratio is 14.6% for the year which is within the stipulated maximum of 20% under the Dividend Distribution Policy.

Dividend Distribution Policy

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Dividend Distribution Policy, is available on the Company's website at https://www.lauruslabs.com/Investors/PDF/Policies/Dividend_Policy.pdf.

Transfer to Reserves

The Company did not transfer any portion of profits to reserves.

Share Capital

During the year under review, the Company has allotted 6,04,091 (Six lakh four thousand and ninety-one only) equity shares of ₹ 2/- to various eligible employees of the Company under ESOP Scheme 2016, ESOP Scheme 2018 and under ESOP Scheme 2021 upon exercise of their vesting rights in June, 2025 and December, 2025.

As a result, the paid-up share capital as on March 31, 2026 stood at ₹ 107,97,13,164/- divided into 53,98,56,582 equity shares of ₹ 2/- each.

Change in the nature of the business, if any

There is no change in the nature of the business of the Company or any of its subsidiaries or associates, during the year under review.

Material Changes and commitments, affecting the financial position of the Company

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report of the Board of Directors.

Public deposits

The Company has not accepted any deposits from public and therefore does not fall under the category of NBFC to comply with the requirements prescribed by the Reserve Bank of India from time to time as applicable to it.

Subsidiaries, Associates and Joint Ventures

At the end of the year, the status of the subsidiaries/ associates/ joint venture are as follows:



Name of the Subsidiary, Associates and Joint Ventures	% shareholding	Status ¹
Laurus Synthesis Private Limited	100	WOS
Sriam Labs Private Limited	100	WOS
Laurus Specialty Chemicals Private Limited	100	WOS
Laurus Holdings Limited, United Kingdom	100	WOS
Laurus Generics (SA) Pty Ltd.	100	WOS
Laurus Generics GmbH, Germany ²	100	WOS
Laurus Generics Inc., USA ³	100	Subsidiary
Laurus Bio Private Limited ⁵	78.34	Subsidiary
Immunoadoptive Cell Therapy Private Limited	34.89	Associate
KRKA Pharma Private Limited ⁴	49	Joint Venture
Ethan Energy India Private Limited	26	Associate
Kurnool Renewables Private Limited	26	Associate

¹WOS means Wholly-owned Subsidiary.

²Laurus Generics GmbH, Germany is Wholly-owned Subsidiary of Laurus Holdings Ltd., UK and step-down Wholly-owned Subsidiary of the Company.

³The Company is holding 49.24% of Laurus Generics Inc., USA and remaining 50.76% is held by Laurus Holdings Ltd., UK.

⁴KRKA Pharma Private Limited is joint venture company, wherein the Company is holding 49% and remaining 51% is held by joint venture partner, KRKA d.d., Novo mesto, a company registered in Slovenia.

⁵On fully diluted basis - 76.32%

During the year under review, Kurnool Renewables Private Limited became an associate company of your Company. There are no companies which became subsidiary companies of the Company during the year nor ceased to be subsidiaries or associate companies of the Company.

Consolidated financial Statements

In terms of the provisions of Section 129(3) of the Act, the consolidated financial statement of the Company and all its Subsidiaries and Associates prepared in accordance with the applicable accounting standards forms part of this Annual Report. Further, a statement containing salient features of the financial statements of our subsidiaries and associates in the prescribed form in AOC-1 is attached as **Annexure-1** to the Report of the Board of Directors.

Further, in terms of the provisions of Section 136 of the Act, the Company has placed separately the audited financial statements of its subsidiaries on its website www.lauruslabs.com and copies of audited financial statements of the subsidiaries will be provided to the Members at their request.

Material Subsidiaries

In terms of Regulation 16(1)(c) of the SEBI Listing Regulations, the Company does not have a material subsidiary.

Particulars of loans, guarantees and investments

The Company makes investments or extends loans/ guarantees to its subsidiaries for their business purposes. Details of loans, guarantees and investments covered under Section 186 of the Act, is provided in notes 5 and 33

to the standalone financial statements which forms part of this Integrated Report 2026. The same is within the limits prescribed under Section 186 of the Act.

Board of Directors and Key Management Personnel

During the year under review, the members of the Company at the Annual General Meeting ("AGM") held on June 26, 2025 has approved the re-appointment of Dr. Satyanarayana Chava, as the Executive Director and Chief Executive Officer of the Company, for a period of 5 (five) years with from April 1, 2025 to March 31, 2030, whose office will be liable to determination by retirement by rotation. The members of the Company have also approved the re-appointment of Mr. V V Ravi Kumar, as the Executive Director and Chief Financial Officer of the Company, for a period of 2 (two) years with from April 1, 2025 and to March 31, 2027, whose office will be liable to determination by retirement by rotation.

Further, during the year, the members of the Company have approved the re-appointment of Dr. C V Lakshmana Rao, a director liable to retires by rotation.

In terms of Section 152 of the Act, Mr. Krishna Chaitanya Chava and Mrs. Soumya Chava will retire at the ensuing AGM and, being eligible, seek re-appointment. The Board recommends their re-appointment, designated as the Executive Directors and their brief profile has been given in the Notice of the 21st AGM.

During the year under review, there was no change in the Key Managerial Personnel ("KMP") of the Company. As on the date of this report, the Company has the following Key Managerial Personnel as per Section 203 of the Act:

Sl	Name of the KMP	Designation
1	Dr. Satyanarayana Chava	Executive Director and Chief Executive Officer
2	Mr. V V Ravi Kumar	Executive Director and Chief Financial Officer
3	Dr. Lakshmana Rao C V	Executive Director
4	Mr. Krishna Chaitanya Chava	Executive Director
5	Mrs. Soumya Chava	Executive Director
6	Mr. G Venkateswar Reddy	Company Secretary

Declaration by Independent Directors

In terms of Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, Independent Directors have confirmed to the Company that they meet the criteria of independence. Further, each Independent Director has affirmed compliance to the Code of Conduct for Independent Directors as prescribed in Schedule IV of the Act. The Board has taken on record such declarations after due assessment of their veracity.

Board evaluation

Pursuant to the provisions of the Act, and the SEBI Listing Regulations, the Board has carried out performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of the Committees. The outcome of the performance evaluation was discussed and found to be satisfactory. The manner of the evaluation of the Board and other Committees has been determined by the Nomination and Remuneration Committee in terms of the SEBI circular dated January 5, 2017.

More details with respect to the Board evaluation is given in the Report on Corporate Governance which forms part of this Integrated Report 2026.

Board and Board Committees meetings

The Board and Committee meetings are pre-scheduled and a tentative calendar of the meetings is finalized in consultation with all the Directors to facilitate them to plan their schedule. However, in case of urgent business needs, approval is taken by passing resolutions through circulation. During the year under review, 7 (seven) Board Meetings were held. The details of the meetings are provided in the Report on Corporate Governance, forms part of this Integrated Report 2026.

Committees of the Board

As on March 31, 2026, the Board has the following Committees:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee;

v) Risk Management Committee.

All the recommendations made by the Board Committees, were accepted by the Board. The details of the above Committees are given in the Report on Corporate Governance which forms part of this Integrated Report 2026.

Separate meeting of Independent Directors

In terms of requirements under Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, a separate meeting of the Independent Directors was held during FY 26. More details are mentioned in the Report on Corporate Governance which forms part of this Integrated Report 2026.

Policy on Directors' appointment and remuneration

The Company's policy on the Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters are adopted as per the provisions of the Act and the SEBI Listing Regulations. The remuneration paid to the Directors is as per the norms laid out in the Nomination and Remuneration Policy of the Company.

The Nomination and Remuneration Policy is adopted by the Board and the salient features of the policy are as follows:

- Non-Executive and Independent Directors ("NEDs") will be paid remuneration by way of sitting fees and commission. The remuneration/ commission/ compensation to the NEDs will be determined by the Nomination and Remuneration Committee and recommended to the Board for its approval.
- As approved by the shareholders at the shareholders meeting held on July 20, 2016, remuneration in the form of commission will be paid to Non-Executive and Independent Directors not exceeding 1% per annum of the profits of the Company computed in accordance with Section 198 of the Act.
- The payment of the Commission to the NEDs is as per approval given by the Board within the limit approved by the shareholders. The sitting fee payable to the NEDs for attending the Board and Committee meetings will be fixed, subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.
- NEDs will not be eligible to receive stock options under the existing employee stock option scheme(s) ("ESOP") of the Company.
- The compensation paid to the Executive Directors will be within the scale approved by the shareholders. The elements of the total compensation, approved by the



Board and Nomination & Remuneration Committee will be within the overall limits specified under the Act.

- The Company's total compensation for Executive Directors and Key Managerial Personnel as defined under the Act / other employees will consist of:
 - fixed compensation
 - variable compensation
 - benefits
 - work related facilities and perquisites
- Changes made to the policy: Nil

The Nomination and Remuneration Policy is placed on the Company's website and available at the link: https://www.lauruslabs.com/Investors/PDF/Policies/Remuneration_Policy.pdf

Risk Management

The Company had formulated a Risk Management Policy for dealing with various risks that it faces in the day-to-day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Company. The Company has adequate internal financial control systems and procedures to mitigate the risk. The Company has constituted a Risk Management Committee which reviews various risk mitigating practices that the Company is required to implement. The risk management procedure is reviewed by the Risk Management Committee and Board of Directors on a periodic basis.

Adequacy of Internal Financial Controls

The Company has in place an adequate system of internal controls, policies and procedures commensurate with its nature of business and size of operations for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The internal financial controls with respect to the financial statements are adequate and operating effectively.

Effectiveness of internal financial controls is ensured through management reviews, control self-assessment and independent testing by the Internal Auditors. The Audit Committee reviewed the internal financial controls that ensure that the Company's accounts were properly maintained and that the transactions were recorded in the books of accounts in accordance with the applicable accounting standards, laws and statutes. The Statutory and Internal auditors have confirmed that there was no internal control weakness during FY 2025-26.

Directors' Responsibility Statement

In terms of Section 134(3) (c) of the Act, the Board of Directors of the Company states that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the profits of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operative effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operative effectively.

Related Party Transactions

All contracts, arrangements and transactions entered by the Company with related parties during FY 2025-26 were in the ordinary course of business and on an arm's length basis. Details of the related party transactions as per Ind AS24 have been provided in note no. 33 of the standalone financial statements and in note no. 32 of the consolidated financial statements.

During the year, the Company did not enter into any transaction, contract or arrangement with related parties, that could be considered material in accordance with the provisions of the Act or the SEBI Listing Regulations and the Company's Policy on Related Party Transactions ("RPT Policy"). Accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable.

The Policy on Related Party Transactions was amended during the year to align the same with the statutory requirements. The updated RPT policy of the Company is available on the Company's website at https://www.lauruslabs.com/Investors/PDF/Policies/Revised_RPT_Policy.pdf.

Vigil Mechanism

The Company has a Whistle Blower Policy, which lays down the process to raise genuine concerns and seek resolution towards the same without fear of retaliation. More details on the functioning of the Whistle Blower Policy and weblink of the Policy has been provided in the Report on Corporate Governance, which forms part of this Integrated Report 2026.

Auditors

Statutory Auditors and their Reports

M/s Deloitte Haskins & Sells LLP, Firm Registration No.117366W/W-100018 have been appointed as Statutory Auditors of the Company for the second term of five years from the conclusion of 17th AGM till the conclusion of 22nd AGM to be held in the year 2027 of the Company at a remuneration as may be approved by the Board.

The Statutory Auditors' Report for the standalone and consolidated financial statements does not contain any qualification, reservation, adverse remarks or observation and has been presented separately in the respective financial section, which forms part of this Integrated Report 2026.

M/s Deloitte Haskins & Sells LLP (ICAI Firm Registration No. 117366W/W-100018) will continue as the Statutory Auditors of the Company until the conclusion of the 22nd AGM to be held in the year 2027, and they will complete their second term. Based on the recommendation of the Audit Committee, the Board at its meeting held on March 12, 2026 recommended the appointment of M/s S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W/E300004) as the Statutory Auditors of the Company to hold the office for a term of 5 (five) consecutive years from the conclusion of the 22nd AGM to be held in the year 2027 till the conclusion of the 27th AGM to be held in the year 2032, subject to approval of the members of the Company. The resolution relating to the appointment of M/s S.R. Batliboi & Associates LLP, as the Statutory Auditors of the Company will be proposed to the shareholders of the Company for their approval at the 22nd AGM of the Company to be held in the year 2027.

Cost records and Auditors

In terms of the provisions of Section 148(1) of the Act read with rules made thereunder, the Company maintains the cost records in respect of its 'pharmaceuticals' business.

On the recommendation of the Audit Committee, the Board has appointed M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118) as Cost Auditor of the Company for FY 2026-27 at a remuneration of ₹ 5,50,000/- (Rupees five lakhs fifty thousand only) plus reimbursement

of out-of-pocket expenses at actuals and applicable taxes. M/s. Sagar & Associates have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

The provisions of the Act also require that the remuneration of the Cost Auditors be ratified by the members and therefore, the same is recommended for approval of the members at the forthcoming 21st AGM.

As a matter of record, relevant Cost Audit Reports for FY 2024-25 was filed with the Central Government on August 22, 2025, within the stipulated timeline. The Cost Audit Report for FY 2025-26 will also be filed within the prescribed timeline.

Secretarial Auditors & their Report

In terms of the provisions of Regulation 24A of the SEBI Listing Regulations and Section 204 of the Act read with the rules made thereunder, the members of the Company at the 20th AGM held on June 26, 2025, has approved the appointment of M/s RPR & Associates, Practicing Company Secretaries, Hyderabad (a peer reviewed firm, represented by Mr. Y Ravi Prasada Reddy, Proprietor of the firm having CP. No. 5360) as the Secretarial Auditors of the Company for a period of 5 (five) consecutive financial years i.e. from 2025-26 to 2029-30.

The Secretarial Audit Report issued by M/s RPR & Associates for the period under review in Form MR-3 is in **Annexure -2** to this Report. The Annual Secretarial Compliance Report has also been issued by M/s RPR & Associates. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report and Annual Secretarial Compliance Report.

Significant and material orders passed by the Courts/Regulators

There are no significant and material orders passed by the Courts or Regulators against the Company.

Rating

CARE has reaffirmed/revised with its rating of "AA Negative" to "AA Stable" on the long-term bank facilities of the Company and Reaffirmed A1+ on the short-term bank facilities of the Company.

Insurance

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured.



Corporate Social Responsibility initiatives

In terms of Section 135 of the Act, the Company has a Board-level Committee, namely, Corporate Social Responsibility (CSR) Committee. More details on composition and terms of reference of CSR Committee is given in the Report on Corporate Governance which forms part of this Integrated Report 2026. Based on the recommendation of the CSR Committee, the Board has adopted a CSR policy that provides guiding principles for selection, implementation and monitoring of CSR activities and formulation of the annual action plan.

During the year, the CSR Committee monitored the CSR activities undertaken by the Company including the expenditure incurred thereon. An impact assessment of the eligible projects completed before March 31, 2025 has been carried by an independent agency and the report of such impact assessment was noted by the CSR Committee and the Board. Details of the CSR Policy and initiatives taken by the Company during the year are available on the Company's website at www.lauruslabs.com. The report on CSR activities is attached as **Annexure-3** to this Report of the Board of Directors.

Employee's particulars

Disclosures 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, is attached in **Annexure-4** to this Report of the Board of Directors.

In terms of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in the said rules, is provided in a separate exhibit forming part of this report and is available on the website of the Company, at www.lauruslabs.com. The Integrated Report 2026 is being sent to the shareholders excluding the aforesaid exhibit. Shareholders interested in obtaining this information may access the same from the Company website. In accordance with Section 136 of the Act, this exhibit is available for inspection by shareholders through electronic mode.

Human resources

The Company believes that competent and committed human resources are important to achieve success in the organization. In line with this philosophy, utmost care is being exercised to attract quality resources and suitable training is imparted on various skill-sets and behavior. Various initiatives were undertaken to enhance the competitive spirit and encourage bonding teamwork among the employees to achieve the targeted growth in the performance of the Company.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is appended hereto as **Annexure-5** and forms part of this Integrated Report 2026.

Employee Stock Options

The Company has three employee stock option schemes namely, 'Employees Stock Option Scheme-2016', 'Employees Stock Option Scheme-2018' and 'Employees Stock Option Scheme-2021'. There are no other changes in the said schemes during the year. During the year, the Company has allotted 6,04,091 (Six lakh four thousand and ninety-one only) equity shares of ₹ 2/- to various eligible employees of the Company under ESOP Scheme 2016, ESOP Scheme 2018 and ESOP Scheme 2021 upon exercise of their vesting rights in June 2025 and December 2025.

The Schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The details of Company's stock option Schemes as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on the Company's website at www.lauruslabs.com

The details of stock options are as mentioned in **Annexure-6** and forms part of this Integrated Report 2026. Further, details of the stock options is given in the note 29 to standalone financial statements also forms part of this Integrated Report 2026.

The Company's Secretarial Auditors, M/s RPR & Associates, Practicing Company Secretaries, have certified that the Employee Stock Option Schemes of your Company have been implemented in accordance with the Regulations and the resolutions passed by the Members in this regard.

Policy on Prevention of Sexual Harassment

The Company has formulated and implemented a policy for Prevention of Sexual Harassment of Women at workplace. During the year under review, the Company has not received any complaints under the policy, no complaints were pending either at the beginning or at the end of the year.

The Company has appropriate systems, processes and policies to ensure professional ethics and harmonious working environment. We follow zero tolerance towards corruption and unethical conduct. These are ensured through Whistle Blower Policy, Anti-Bribery and Anti-Corruption Policy, Gift Policy, Sexual Harassment Policy and Redressal Guidelines.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the

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

Secretarial Standards

The applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, have been followed by the Company.

Disclosure related to insolvency and bankruptcy

No application has been filed under the Insolvency and Bankruptcy Code. Therefore, the requirement to disclose any applications filed or proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year, along with their status at the close of the financial year, is not applicable.

Disclosure related to one-time settlement

There was no instance of one-time settlement with any Bank or Financial Institution.

Disclosure related to deviation or variation in the use of proceeds

Pursuant to Regulation 32(1)(b) of the SEBI Listing Regulations, since the Company has not made public issue, rights issue or preferential issue during the year under review, the disclosure related to deviation or variation in the use of proceeds is not applicable.

Annual Return

In terms of the provisions of Section 134(3)(a) of the Act, the Annual Return of the Company, is available on the website of the Company at www.lauruslabs.com.

Integrated Report

The Company is voluntarily publishing the Integrated Annual Report for FY 2025-26, which includes both financial and non-financial information. The reporting weaves together our purpose, values, strategy, stakeholder's value creation, ESG, governance, performance and future outlook, all of which influence the material aspects of our business.

Corporate Governance

A separate section on Corporate Governance practices followed by the Company, as stipulated under Schedule V(C) of the SEBI Listing Regulations is enclosed and forming part of this Integrated Report 2026.

The certificate of the Practising Company Secretary Mr. Y Ravi Prasada Reddy with regard to compliance of conditions of corporate governance as stipulated under Schedule V(E) of the SEBI Listing Regulations is annexed to the Report on Corporate Governance.

Management Discussion & Analysis

Various business aspects including market conditions, business opportunities, challenges etc. have been discussed at length in the Management's Discussion and Analysis (MD&A), which forms part of this Integrated Report, 2026.

Business Responsibility and Sustainability Report (BRSR)

The SEBI Listing Regulations mandate the inclusion of the BRSR as part of the Annual Report for top 1000 listed entities based on market capitalization. In accordance with the SEBI Listing Regulations, the Business Responsibility and Sustainability Report for the financial year 2025-26 forms part of this Integrated Report, 2026.

Environmental, Social and Governance (ESG)

The Company prioritizes environmental stewardship as a key driver of its business strategy, with a strong focus on efficient capital allocation and advancing Environmental, Social, and Governance (ESG) practices. The Company's ESG strategy prioritizes positive social impact for patients, employees, communities, environmental sustainability, while ensuring responsible business practices to build trust with our stakeholders and drive long term sustainable growth. The Company actively works towards reducing carbon emissions and addressing climate issues, emphasizing the creation of sustainable value and the conservation of natural resources to contribute to a cleaner world.

Our commitment to ESG is evident in our consecutive "BBB" rating by MSCI ESG Ratings, improved Dow Jones Sustainability Index (DJSI) score to 81 out of 100 in pharmaceutical category and recognition such as the EcoVadis 'Silver' award for key facilities.

The Company continues to drive ongoing ESG initiatives, including system certifications, the release of an integrated report aligned with the Business Responsibility and Sustainability Reporting (BRSR) framework, investment in renewable energy through acquiring a stake in Ethan Energy and Kurnool Renewables, conducting climate risk assessments, and receiving several awards for our environmental, health, and safety practices.

Awards and achievements

- The company ranked among the world's most sustainable businesses in the S&P Global Sustainability Yearbook 2026. It achieved an elite ESG score of 81 out of 100, placing it in the top tier of the global pharmaceutical industry.

Unit-5 has been awarded the Gold for Best Safety Performer 2025 in the Pharmaceutical, Drugs and



Healthcare category at the CII Andhra Pradesh Industrial Safety Excellence Awards 2025.

- Unit-3 has been awarded with the silver award within the Pharma Industry in recognition of outstanding achievements in Energy Conservation and Energy Efficiency for the year 2025 by the Andhra Pradesh State Energy Conservation Mission.
- Laurus Labs has been awarded with the Fire Safety Excellence Award 2026 by the State Disaster Response and Fire Services, Government of Andhra Pradesh.
- Unit-3 has been awarded with the Platinum Award for promoting environmental sustainability at the GreenEnviro Safety Awards & Summit 2026.
- Laurus Labs is certified as a Great Place to Work for the 6th consecutive year by Great Place to Work®, India.

Acknowledgements

Your Directors place on record their sincere appreciation to customers, business associates, bankers, vendors, government agencies and shareholders for their continued support.

Your Directors are also happy to place on record their sincere appreciation to the co-operation, commitment and contribution extended by all the employees of the Laurus family and look forward to enjoying their continued support and cooperation.

For and on behalf of the Board of Directors

Dr. Satyanarayana Chava
Executive Director and
Chief Executive Officer
DIN: 00211921

V V Ravi Kumar
Executive Director and
Chief Financial Officer
DIN: 01424180

Place: Hyderabad
Date: April 30, 2026

Annexure – 1 to the Report of the Board of Directors

Form AOC -1

(Statement pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Part - A: Subsidiaries

SI	1	2	3	4	5	6	7	8
Name of the subsidiary company	Laurus Synthesis Private Limited	Sriam Labs Private Limited	Laurus Specialty Chemicals Private Limited	Laurus Holdings Limited	Laurus Generics (SA) Pty Ltd.	Laurus Generics GmbH ¹	Laurus Generics Inc. ²	Laurus Bio Private Limited
Country of Incorporation	India	India	India	UK	South Africa	Germany	USA	India
Date since when subsidiary was acquired/ incorporated	May 18, 2020	November 2, 2016	December 1, 2022	July 10, 2017	June 15, 2020	April 5, 2018	July 8, 2017	January 20, 2021
Reporting currency	INR	INR	INR	GB Pound	ZAR	EURO	USD	INR
Exchange rate as on March 31, 2026	Not applicable	Not applicable	Not applicable	INR/GBP	ZAR/INR	EURO/GBP	USD/GBP	Not applicable
- Profit & Loss Account				118.4410	5.1060	0.8650	0.7461	
- Balance Sheet				124.0670	5.5034	0.8705	0.7566	
Reporting period for the subsidiary	April 1, 2025 to March 31, 2026							
% of shareholding	100	100	100	100	100	100 ¹	100 ²	78.34
Share capital	0.11	14.20	0.10	0.09	0.00	0.01	0.20	1.01
Reserves & surplus	195.93	50.34	(0.01)	0.05	0.25	(0.11)	0.07	261.72
Total assets	1,233.57	80.62	0.09	0.04	0.33	0.02	2.24	561.67
Total liabilities (excluding share capital and reserve & surplus)	1,037.53	16.08	-	0.00	0.08	0.13	1.97	298.94
Investments	-	-	-	0.08	-	-	-	-
Turnover	491.29	77.88	-	0.05	0.08	-	5.84	200.28
Profit/ (loss) before taxation	111.22	6.96	(0.00)	0.00	(0.18)	0.05	0.61	9.30
Provision for taxation	34.69	1.79	-	0.00	(0.02)	-	0.01	2.58
Profit/ (loss) after taxation	76.54	5.16	(0.00)	0.00	(0.16)	0.05	0.60	6.72
Proposed dividend	-	-	-	-	-	-	-	-

Note:

¹ Laurus Generics GmbH, Germany is Wholly-owned subsidiary of Laurus Holdings Ltd., UK and step-down Wholly-owned subsidiary of the Company. Laurus Holdings Ltd is holding 100% shares of Laurus Generics GmbH.

² The Company is holding 49.24% of Laurus Generics Inc., USA and remaining 50.76% is held by Laurus Holdings Ltd., UK. The Company is holding 100% shares of Laurus Holdings Ltd.

Name of subsidiaries which are yet to commence operations: Laurus Specialty Chemicals Private Limited.

Name of subsidiaries which have been liquidated or sold during the year : Nil



Part - B: Associates and Joint Ventures ("JV")

SI	(₹ in crores)			
	1	2	3	4
Name of the Associate/ JV company	Immunoadoptive Cell Therapy Private Limited	KRKA Pharma Private Limited ¹	Ethan Energy India Private Limited	Kurnool Renewables Private Limited
Latest audited Balance Sheet date	March 31, 2026			
Date on which the Associate or JV was associated or acquired	December 9, 2021	April 12, 2024	December 26, 2022	May 12, 2025
No. of shares held by the Company on the year end	996 Equity shares of ₹ 10/- each, fully paid up 6,011 CCPS of ₹10/- each, fully paid up	15,43,50,000 Equity shares of ₹ 10/- each, fully paid up	7,40,000 Equity shares of ₹ 10/- each, fully paid up	90,71,950 Equity shares of ₹ 10/- each, fully paid up
Amount of investment in Associate/ JV	126.02	154.35	3.90	9.07
Extent of holding (%)	34.89	49	26	26
Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding
Reason why the associate is not consolidated	-	-	-	-
Net worth attributable to shareholding as per latest audited Balance Sheet	42.42	154.84	(2.21)	-
Profit or Loss for the year considered in consolidation	(0.64)	1.21	(0.28)	-
Profit or Loss for the year not considered in consolidation	(1.20)	1.25	(0.80)	-

Note:

¹KRKA Pharma Private Limited is joint venture company, wherein the Company is holding 49% and remaining 51% is held by joint venture partner, KRKA d.d., Novo mesto, a company registered in Slovenia.

Name of associates or joint ventures which are yet to commence operations: Kurnool Renewables Private Limited.

Name of associates or joint ventures which have been liquidated or sold during the year : Nil.

For and on behalf of the Board of Directors

Dr. Satyanarayana Chava **V V Ravi Kumar**

Executive Director and
Chief Executive Officer

DIN: 00211921

Executive Director and
Chief Financial Officer

DIN: 01424180

Place: Hyderabad
Date: April 30, 2026

Annexure – 2 to the Report of the Board of Directors

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,
M/s. LAURUS LABS LIMITED
Laurus Enclave, Plot Office 01, E. Bonangi Village,
Parawada Mandal, Anakapalli District,
Andhra Pradesh – 531021.

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Laurus Labs Limited (hereinafter referred 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 authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The Company is carrying on the business of offering broad and integrated portfolio of Active Pharmaceutical Ingredients (API) including intermediates, Finished Dosage Forms (FDFs), Contract Research Services, Biologics and Cell and Gene Therapy to cater to the needs of the global pharmaceutical industry.

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

- The Companies Act, 2013 (the "Act") and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the financial year);
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2018 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018 (Not applicable to the Company during the financial year);
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the financial year).



- F. The Memorandum and Articles of Association.
- G. The Company has identified and confirmed the following laws as specifically applicable to the Company.
- (a) Drugs (Control) Act, 1950
 - (b) Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945
 - (c) Narcotic Drugs and Psychotropic Substances Act, 1985
 - (d) The Food Safety and Standards Act, 2006
 - (e) The Indian Boilers Act, 1923

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

- (i) Auditing and Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof, on test check basis, the Company has complied with all the applicable laws.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act/ Listing Agreement.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent in advance as required, 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.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. We further report that there are adequate systems and processes in

the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the financial year the Company had following events which had bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Standards etc.,

1. During the year under review, the Company has allotted 6,04,091 (Six lakh four thousand and ninety-one only) equity shares of ₹2/- to various eligible employees of the Company under ESOP Scheme 2016, ESOP Scheme 2018 and under ESOP Scheme 2021 upon exercise of their vesting rights in May 2025, June, 2025 and December, 2025.
2. The Company has invested ₹49,00,00,000/- in December, 2025 in KRKA Pharma Private Limited, a joint venture Company. The existing shareholding ratio of 51:49 between KRKA d.d., Novo mesto, Slovenia and Laurus Labs Limited, respectively, remains the same after the above investment.
3. The Company has invested
 - (i) ₹ 39,99,93,608.28/- in June, 2025 and acquired 15,414 Series A2 Compulsorily Convertible Preference Shares, at face value of ₹ 100/- and premium of ₹ 25,850.02/- each and
 - (ii) ₹ 34,99,87,919.74/- in December 2025 and acquired 13,487 Series A3 Compulsorily Convertible Preference Shares at face value of ₹ 100/- and premium of ₹ 25,850.02/- each of Laurus Bio Private Limited and upon these additional investments, the shareholding of the Company in Laurus Bio is 75.61% on fully diluted basis.
4. The Company has invested ₹ 9,07,19,500/- in Kurnool Renewables Private Limited (presently an associate of the Company) and acquired 90,71,950 equity shares of Kurnool Renewables Pvt Ltd at face value of ₹ 10/- each
5. The Company has invested USD 2,000,000/- (Two Million Dollars Only) in Aarvik Therapeutics Inc. and acquired 4,62,962 Series Seed-2B Preferred Stock of Aarvik Therapeutics Inc. at USD 0.001 par value at a price of USD 4.32 per share.
6. The Board of Directors of the Company at its meeting held on 21st August, 2025, subject to requisite approvals/consents, approved the Composite Scheme of Arrangement ("Scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act"). The details of Composite Scheme of Arrangement, in brief, are as follows:

- (i) The demerger of Laurus Synthesis Private Limited ("LSPL" or "Transferor Company" or "Demerged Company"), a wholly owned subsidiary of Laurus Labs Limited, whereby the Identified Business Undertaking i.e., Unit-1 of LSPL shall be demerged and be merged with Sriam Labs Private Limited ("Sriam" or "Resulting Company"), a wholly owned subsidiary of Laurus Labs Limited; and
- (ii) Amalgamation of the Remaining Business Undertaking of LSPL (i.e., entire LSPL excluding Unit-1) with Laurus Labs Limited ("Laurus" or "Transferee Company") and dissolution of Transferor Company/LSPL without going through the process of winding up under the provisions of the Act.

The Appointed Date of the Scheme would be April 1, 2026 or such other date as may be directed or approved by the National Company Law Tribunal ("NCLT") or any other appropriate authority.

For **RPR & ASSOCIATES**
Company Secretaries

Sd/-
Y Ravi Prasada Reddy

Proprietor
FCS No. 5783, C P No. 5360
Peer Review Certificate No. 1425/2021
UDIN: F005783H000244703

Place: Hyderabad
Date: April 30, 2026

This Report is to be read with our letter of even date which is annexed as Annexure and forms part of this report.



ANNEXURE

To
The Members,
M/s. LAURUS LABS LIMITED
Laurus Enclave, Plot Office 01, E. Bonangi Village,
Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021.

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 followed by us provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Wherever required, we have obtained the Management representations 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 **RPR & ASSOCIATES**
Company Secretaries

Sd/-
Y Ravi Prasada Reddy
Proprietor

FCS No. 5783, C P No. 5360
Peer Review Certificate No. 1425/2021
UDIN: F005783H000244703

Place: Hyderabad
Date: April 30, 2026

Annexure – 3

to the Report of the Board of Directors

Annual Report on CSR activities for the financial year 2025-26

1. Brief outline on CSR Policy of the Company:

At Laurus Labs, our unwavering commitment to community well-being centres around health, education, rural development and environmental sustainability. We believe that fostering sustainability in these key areas is integral to the long-term enhancement of our communities and plays a vital role in overall economic growth. The scope of the CSR Policy includes the activities specified in Schedule VII of the Companies Act, 2013 ("the Act").

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. V V Ravi Kumar	Chairman of the Committee, Executive Director and Chief Financial Officer	2	2
2	Mrs. Aruna Bhinge	Member, Independent Director	2	2
3	Dr. C V Lakshmana Rao	Member, Executive Director	2	2
4	Mrs. Soumya Chava	Member, Executive Director	2	2

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The Composition of CSR committee, CSR Policy and CSR projects are available on the website of the Company at <https://www.lauruslabs.com/investors.html>.

4. Details of impact assessment of CSR Projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Laurus Labs focus area for its CSR activities are across healthcare, education, environmental sustainability and rural development and the impact assessment confirms effective, targeted community upliftment through infrastructure rejuvenation, healthcare, etc. The CSR Impact Assessment Report is disclosed on the website of the Company at <https://www.lauruslabs.com/investors.html>.

	₹ in Crore
5. (a) Average net profit of the Company as per Section 135 (5) of the Act	619
(b) Two percent of average net profit of the company as per section 135 (5) of the Act	12.38
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(d) Amount required to be set off for the financial year, if any	Nil
(e) Total CSR obligation for the financial year (5b+5c-5d)	12.38

	₹ in Crore
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	12.45
(b) Amount spent in Administrative Overheads	Nil
(c) Amount spent on Impact Assessment, if applicable	0.04
(d) Total amount spent for the Financial Year (6a+6b+6c)	12.49
(e) CSR Amount spent or unspent for the financial year:	

Total amount spent for the financial year (₹ in Crore)	Amount unspent			
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act	
	Amount	Date of transfer	Name of the Fund	Amount
12.49			Not applicable	



(f) Excess amount for set off, if any:

	(₹ in crore)
(i) Two percent of average net profit of the company as per Section 135 (5) of the Act	12.38
(ii) Total amount spent for the Financial Year	12.49
(iii) Excess amount spent for the financial year [(ii) - (i)]	0.11
(iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v) Amount available for set off in succeeding financial years [(iii) - (iv)]	Nil

7. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135 (6) of the Act (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6) of the Act, if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
1	FY 1	-	-	-	-	-	-
2	FY 2	-	-	-	-	-	-
3	FY 3	-	-	-	-	-	-
	Total	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If yes, enter the number of Capital assets created/ acquired - 1 (one)

Details relating to such asset (s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount spent	Details of entity/ authority/ beneficiary of the registered owner		
					CSR Registration No. if applicable	Name	Registered Address
1	Laurus Skill Development Centre Survey No. 49-2, Dopperla Village, Atchutapuram Mandal, Anakapalli District, Andhra Pradesh	531021	June 29, 2024	₹ 4 Crores	CSR00002450	Laurus Charitable Trust	2 nd Floor, Serene Chambers, Road No. 7, Banjara Hills, Hyderabad - 500034

9. Specify the reason (s), if the company has failed to spend two per cent of the average net profit as per section 135 (5): Not Applicable

For and on behalf of the Board of Directors

Dr. Satyanarayana Chava

Executive Director and Chief Executive Officer
DIN: 00211921

V V Ravi Kumar

Executive Director and Chief Financial Officer, and Chairman of the CSR Committee
DIN: 01424180

Place: Hyderabad
Date: April 30, 2026

Annexure – 4

to the Report of Board of Directors

Information 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

(i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase/ (decrease) in remuneration of each Director and Key Managerial Personnel (KMP) during the financial year:

Sl. No.	Name of the Director and KMP	Designation	Ratio of remuneration of each Director to median remuneration of employee	Percentage increase/ (decrease) in remuneration
1	Dr. Ravindranath Kancharla ¹	Independent Director	4	0
2	Dr. Satyanarayana Chava ²	Executive Director and Chief Executive Officer	491	89
3	Mr. V V Ravi Kumar ²	Executive Director and Chief Financial Officer	131	46
4	Mr. C V Lakshmana Rao ²	Executive Director	90	55
5	Mr. Krishna Chaitanya Chava ²	Executive Director	43	19
6	Mrs. Soumya Chava ²	Executive Director	27	21
7	Mrs. Aruna Bhinge ¹	Independent Director	4	0
8	Dr. Rajesh Koshy Chandy ^{1,3}	Independent Director	7	6
9	Mr. Sekar Karnam ^{1,4}	Independent Director	4	7
10	Mr. Ramesh Subrahmanian ^{1,4}	Independent Director	4	46
11	Mr. G Venkateswar Reddy	Vice-President and Company Secretary	Not applicable	16

Note:

The details given above is on the basis of remuneration paid during the financial year 2025-26.

¹Remuneration to Independent Directors is by way of payment of commission, as approved by the shareholders. Additionally, Independent Directors were paid sitting fees @ ₹ 50,000/- for attending each Board and Committee meetings, in terms of the provisions of the Companies Act, 2013.

²Includes salary, bonus and perquisites paid by the Company. Executive Directors do not receive any remuneration from any subsidiary company. Remuneration to Executive Directors is in terms of approval given by the shareholders. Change in remuneration was mainly due to increased amount of bonus paid due to improved performance of the Company.

³Increase in remuneration in FY 2025-26 was due to foreign exchange, as the Independent Director is resident outside India.

⁴Appointed for part of the year in FY 2024-25, therefore remuneration paid in FY 2025-26 was not comparable with FY 2024-25.

(ii) The remuneration of employees at median during the financial year 2025-26 was increased by 5%.

(iii) The number of permanent employees on the rolls of Company as on March 31, 2026 was 7,059.

(iv) Average percentage increase in the remuneration of employees other than the managerial personnel (Executive Directors) for the financial year 2025-26 was 11% as compared to 2024-25. The increase in remuneration of managerial personnel was mainly due to payment of variable bonus which was higher due to significant improvement in the performance of the Company. The remuneration to Executive Directors is in line with the industry practice and in terms of approval given by the shareholders of the Company.

(v) The remuneration paid during the financial year 2025-26 was as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sd/-

Dr. Satyanarayana Chava

Executive Director and Chief Executive Officer

DIN: 00211921

Sd/-

V V Ravi Kumar

Executive Director and Chief Financial Officer

DIN: 01424180

Place: Hyderabad
Date: April 30, 2026



Annexure – 5

to the Report of the Board of Directors

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2026 is as hereunder and forms part of the Board's Report.

A. Conservation of energy

(i) The steps taken or impact on conservation of energy

- Installed on/off control valves for temperature control in specified AHU's to achieve energy optimization leading to power conservation of 2,40,000 Kwh.
- Increasing share of EV vehicles to reduce reliance on fossil fuels and emission reduction.
- Efficient Cooling Tower Management- Incorporating Variable Frequency Drives (VFDs) and temperature controls in cooling tower fans has led to substantial energy.
- Implementation of aerodynamic fans for cooling towers in place of regular induction fans resulting in energy conservation.
- Energy Efficient Lighting- Across all our facilities, have transitioned to energy-efficient LED lighting, not only lowering energy consumption but also contributing to a more sustainable lighting solution resulting in power savings of 16,80,157 Kwh.
- The screw chiller has been replaced with a centrifugal chiller, which is highly energy efficient and contributes to energy conservation.
- Installed VFD's, thermostats, Centrifugal chiller, EC Blower etc. in our operations to conserve energy resulting in savings of 92,11,197 Kwh.
- Installed new IE3 pumps, which are high-efficiency pumps compared to IE1 and IE2. Additionally, planning to install IE4 and IE5 pumps in the coming years to conserve more energy throughout our operations.
- Two brine chilling plants have been stopped by optimizing the process and parameters and installing the pressure control pumps, VFD's for Cooling Tower fans, timer for lights etc.

- In Unit 4, installed a connecting pipeline from Utility-1 to Utility-2 by operating a single chiller for three manufacturing blocks achieving a reduction of 9,72,000 Kwh of power.

(ii) The steps taken by the Company for utilizing alternate sources of energy

- In the year, a total of 37,053 tons of steam was procured from a neighbouring industry, which is a by-product of the waste heat recovery boiler. This initiative contributed to a decrease in coal consumption and resulted in an approximate reduction of 88,753 TCO2e emissions.
- Securing a 26% stake in Kurnool Renewables Pvt. Ltd. enhancements our renewable energy share by contributing to 35-40% of total energy consumption in next 5 years.
- The transition of boiler fuel from coal to biomass-based fuel has been successfully completed in unit 8, with plans to implement this change in viable areas throughout our operations.
- Currently, we have Captive solar capacities of 2.97 Mwh contributing to our renewable energy consumption.

(iii) The capital investment on energy conservation equipment

- ₹ 9.69 Crore towards HVAC systems and EV vehicles.

B. Technology absorption

- The efforts made towards technology absorption
 - Implementation of aerodynamic fans for cooling towers in place of regular induction fans resulting in energy conservation.
- The benefits derived like product improvement, cost reduction, product development or import substitution
 - In the year, a total of 37,053 tons of steam was procured from a neighbouring industry, which is a by-product of the waste heat recovery boiler. This initiative contributed to a decrease in coal consumption and resulted in an approximate reduction of 88,753 TCO2e emissions.

- Increasing green energy share by entering into Power Purchasing Agreement with third parties, renewable energy consumption of 117375 GJ.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- The details of technology imported: Nil
- The year of import: Nil
- Whether the technology has been absorbed: Not applicable
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not applicable

Place: Hyderabad
Date: April 30, 2026

(iv) The expenditure incurred on research and development: Total expenditure incurred on research and development during the financial year 2025-26 was ₹ 260 Crore, out of which Opex was ₹ 249 Crore and Capex was ₹ 11 Crore.

C. Foreign exchange earnings and outgo

Foreign exchange earned in terms of actual inflows and foreign exchange outgo in terms of actual outflows during the financial year 2025-26:

	(₹ in crores)
Foreign Exchange earned in terms of actual inflows	4,347
Foreign Exchange outgo in terms of actual outflows	1,933

For and on behalf of the Board of Directors

Sd/-
Dr. Satyanarayana Chava
Executive Director and
Chief Executive Officer
DIN: 00211921

Sd/-
V V Ravi Kumar
Executive Director and
Chief Financial Officer
DIN: 01424180



Annexure – 6

to the Report of the Board of Directors

Details of Employees Stock Option Schemes

Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014

1. The details of Stock Options as on March 31, 2026 under the Employees Stock Option Scheme-2016 of the Company are as under:

Sl. No.	Particulars	Grant-1	Grant-2	Grant-3	Grant-4	Grant-5	Total
a	Options granted						
	Options granted initially	1,78,438	5,37,150	2,70,750	3,50,500	55,500	13,92,338
	Additional options granted pursuant to bonus issue	5,15,814	-	-	-	-	5,15,814
	Total options granted	6,94,252	5,37,150	2,70,750	3,50,500	55,500	19,08,152
	Total options in force - after split	6,94,252	25,14,750	2,70,750	3,50,500	55,500	38,85,752
b	Options vested	6,06,500	23,55,100	1,09,062	80,474	-	31,51,136
c	Options exercised	6,06,500	23,55,100	1,09,062	80,474	-	31,51,136
d	The total no. of shares arising as a result of exercise of options	6,06,500	23,55,100	1,09,062	80,474	-	31,51,136
e	Options lapsed - after split	87,752	1,59,650	49,745	32,946	-	3,30,093
f	The exercise price (₹)	137.50	292.00	350.00	301.50	754.50	-
g	The exercise price (₹) - after split	-	58.40	-	-	-	-
h	Variations of terms of options	No	No	No	No	No	No
i	Money realized by exercise of options	8,33,93,750	13,75,37,840	3,81,71,700	2,42,62,911	-	28,33,66,201
j	Total number of options in force	-	-	1,11,943	2,37,080	55,500	4,04,523

Employee-wise details of options granted during the year 2025-26 to -

- (i) Key Managerial Personnel : Nil
(ii) Any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during that year : Nil
(iii) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant : Nil

2. The details of Stock Options as on March 31, 2026 under the Employees Stock Option Scheme-2018 of the Company are as under:

Sl. No.	Particulars	Grant-1	Grant-2	Grant-3	Grant-4	Grant-5	Total
a	Options granted						
	Options granted initially	1,49,750	7,07,000	5,000	2,07,250	1,74,625	12,43,625
	Additional options granted pursuant to split	5,99,000	-	-	-	-	5,99,000
	Total options in force - after Split	7,48,750	7,07,000	5,000	2,07,250	1,74,625	18,42,625
b	Options vested	5,84,620	5,39,831	2,500	-	-	11,26,951
c	Options exercised	5,84,620	5,39,831	2,500	-	-	11,26,951
d	The total no. of shares arising as a result of exercise of options	5,84,620	5,39,831	2,500	-	-	11,26,951
e	Options lapsed	1,64,130	1,67,169	-	11,750	625	3,43,674
f	The exercise price (₹)	255.50	356.00	350.00	463.50	754.50	-
	The exercise price (₹) - after split	51.10	356.00	350.00	463.50	754.50	-
g	Variations of terms of options	No	No	No	No	No	No
h	Money realized by exercise of options	2,98,74,082	19,21,79,836	8,75,000	-	-	22,29,28,918
l	Total number of options in force	-	-	2,500	1,95,500	1,74,000	3,72,000

Employee-wise details of options granted during the year 2025-26 to -

- (i) Key Managerial Personnel : Nil
(ii) Any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during that year : Nil
(iii) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant : Nil

3. The details of Stock Options as on March 31, 2026 under the Employees Stock Option Scheme-2021 of the Company are as under:

Sl. No.	Particulars	Grant-1	Grant-2	Grant-3	Total
a	Options granted	7,87,500	58,250	1,93,000	10,38,750
b	Options vested	1,90,000	-	-	1,90,000
c	Options exercised	1,90,000	-	-	1,90,000
d	The total no. of shares arising as a result of exercise of options	1,90,000	-	-	1,90,000
e	Options lapsed	38,750	1,250	-	40,000
f	The exercise price (₹)	301.50	463.50	754.50	-
g	Variations of terms of options	No	No	No	No
h	Money realized by exercise of options	5,72,85,000	-	-	5,72,85,000
i	Total number of options in force	5,58,750	57,000	1,93,000	8,08,750

Employee-wise details of options granted during the year 2025-26 to -

- (i) Key Managerial Personnel : Nil
(ii) Any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during that year : Nil
(iii) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant : Nil

ESOP Certificate

To
The Board of Directors
M/s. Laurus Labs Limited
Laurus Enclave, Plot Office 01, E. Bonangi Village,
Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021.

Secretarial Auditors Certificate on implementation of “Employee Stock Option Scheme 2016”, “Employee Stock Option Scheme 2018” and “Employee Stock Option Scheme 2021” of “Laurus Labs Limited”

1. This certificate is issued in accordance with the terms of our engagement letter dated 22nd April, 2026.
2. We, RPR & Associates, Company Secretaries, the Secretarial Auditors of M/s. Laurus Labs Limited (the Company) having its registered office at Laurus Enclave, Plot Office 01, E. Bonangi Village, Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021, have examined the implementation of Employee Stock Option Scheme 2016, Employee Stock Option Scheme 2018 and Employee Stock Option Scheme 2021 of the Company for the year ended March 31, 2026 as stipulated under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI Regulations”), as amended from time to time.

Management’s Responsibility

3. The implementation of the said Schemes, in accordance with the SEBI Regulations, as amended from time to time, and also in accordance with the resolutions passed by the Members of the Company is the responsibility of the Management of the Company. The Management of the Company is also responsible for design, implementation and maintenance of internal control relevant to the preparation and presentation of the said Schemes, maintenance of proper books of account, other relevant records and documents as prescribed under the aforesaid Regulations.

Auditor’s Responsibility

4. Our responsibility, for the purpose of this certificate, is limited to the review of the procedures and implementation thereof, adopted by the Company for the year ended March 31, 2026 in respect of the compliance with the aforesaid SEBI Regulations.

Opinion

5. Based on our examination as above, and according to the information and explanations provided to us by the Management of the Company, we certify that the Employee Stock Option Scheme 2016, Employee Stock Option Scheme 2018 and Employee Stock Option Scheme 2021 of the Company, have been implemented for the year ended March 31, 2026 in accordance with the provisions of SEBI Regulations, as amended from time to time, and in accordance with the resolutions passed by the Members of the Company.

Restriction on Use

6. This Certificate is addressed to and provided to the Board of Directors of the Company for the purpose of placing the same before the Members of the Company at the ensuing Annual General Meeting of the Company and should not be used for any other purpose without our prior written consent.

For **RPR & ASSOCIATES**
Company Secretaries

Sd/-

Y Ravi Prasada Reddy

Proprietor

FCS No. 5783, C P No. 5360

Peer Review Certificate No. 1425/2021

UDIN: F005783H000244703

Place: Hyderabad
Date: April 30, 2026