July 16, 2025

Listing Department ***Code: 532321*** **BSE Limited** P.J. Towers, Dalal Street Mumbai-400001	**Listing Department** ***Code: ZYDUSLIFE*** **National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051

Re: **Annual General Meeting and Integrated Annual Report for the Financial Year ended on March 31, 2025**

Dear Sir / Madam,

Pursuant to regulation 34(1) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company along with the Notice of Thirtieth Annual General Meeting ("**AGM**") for the Financial Year ended on March 31, 2025, which is being sent to the members through electronic means as per the circulars from Ministry of Corporate Affairs and The Securities and Exchange Board of India.

Important details with regard to AGM are as under:

Sr. No.	Particulars	Details
1.	AGM details	**Day:** Tuesday **Date:** August 12, 2025 **Time:** 10:00 a.m. (IST) **Through Video Conference / Other Audio Visual Means**
2.	Cut-off date to determine list of members entitled to receive Notice of AGM and Integrated Report	Friday, July 4, 2025
3.	Cut-off date to determine list of members entitled to receive final dividend	Friday, July 25, 2025
4.	Dividend Payment Date	On or after Thursday, August 14, 2025
5.	Cut-off date to determine list of members entitled for e-voting	Tuesday, August 5, 2025
6.	Remote e-voting start time, day and date	9.00 a.m. (IST), Saturday, August 9, 2025
7.	Remote e-voting end time, day and date	5.00 p.m. (IST), Monday, August 11, 2025

The link to view the Notice of AGM and Integrated Annual Report is as under:

https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf

Please receive the same in order.

Thanking you,

Yours faithfully,
For, **ZYDUS LIFESCIENCES LIMITED**

DHAVAL NARENDRA SONI
Digitally signed by DHAVAL NARENDRA SONI
Date: 2025.07.16 15:47:41 +05'30'

DHAVAL N. SONI
COMPANY SECRETARY & COMPLIANCE OFFICER
MEMBERSHIP NO. FCS7063

Encl.: As above

zydus
Dedicated To Life

TRANSFORMING HEALTH TOUCHING LIVES








Integrated Annual Report 2024-25

Corporate Information

FOUNDER

Late Mr. Ramanbhai
B. Patel

BOARD OF DIRECTORS

Pankaj R. Patel
Chairman

Bhadresh K. Shah
Independent Director

Apurva S. Diwanji
Independent Director

Shelina P. Parikh
(w.e.f. May 17, 2024)
Independent Woman Director

Akhil A. Monappa
Independent Director

Upasana K. Konidela
Independent Woman Director

Mukesh M. Patel
Non-Executive Director

Dr. Sharvil P. Patel
Managing Director and Key Managerial Personnel

Ganesh N. Nayak
Executive Director and Key Managerial Personnel

KEY MANAGERIAL PERSONNEL (OTHER THAN DIRECTORS)

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

KEY CONTACTS

Arvind Bothra
Head - Investor Relations
arvind.bothra@zyduslife.com

Dhaval N. Soni
dhavalsoni@zyduslife.com

COMMITTEES OF THE BOARD AND THEIR CONSTITUTION:

AUDIT COMMITTEE

Akhil A. Monappa, Chairperson
Bhadresh K. Shah
Apurva S. Diwanji
Shelina P. Parikh

NOMINATION AND REMUNERATION COMMITTEE

Bhadresh K. Shah, Chairperson
Apurva S. Diwanji
Akhil A. Monappa
Upasana K. Konidela

CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENT SOCIAL AND GOVERNANCE COMMITTEE

Pankaj R. Patel, Chairperson
Shelina P. Parikh
Upasana K. Konidela
Dr. Sharvil P. Patel

RISK MANAGEMENT COMMITTEE

Pankaj R. Patel, Chairperson
Apurva S. Diwanji
Akhil A. Monappa
Mukesh M. Patel
Dr. Sharvil P. Patel
Nitin D. Parekh

STAKEHOLDERS' / INVESTORS' RELATIONSHIP COMMITTEE

Mukesh M. Patel, Chairperson
Pankaj R. Patel
Bhadresh K. Shah
Dr. Sharvil P. Patel

SHARE TRANSFER COMMITTEE

Pankaj R. Patel, Chairperson
Mukesh M. Patel
Dr. Sharvil P. Patel

FINANCE AND ADMINISTRATION COMMITTEE

Pankaj R. Patel
Dr. Sharvil P. Patel
Ganesh N. Nayak

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants
Ahmedabad

SECRETARIAL AUDITORS

SPANJ & Associates *
Practicing Company Secretaries
Ahmedabad

* Appointed on May 20, 2025, subject to approval of shareholders at the ensuing AGM scheduled to be held on August 12, 2025.

COST AUDITORS

Dalwadi & Associates
Cost Accountants
Ahmedabad

JOINT INTERNAL AUDITORS

Ernst & Young LLP and
PricewaterhouseCoopers Services LLP
Chartered Accountants
Mumbai

REGISTERED AND CORPORATE OFFICE

Zydus Corporate Park
Scheme No. 63, Survey No. 536,
Khoraj (Gandhinagar),
Near Vaishnodevi Circle,
Sarkhej Gandhinagar Highway,
Ahmedabad-382481

REGISTRAR AND SHARE TRANSFER AGENTS

MUFG Intime India Private Limited
(formerly known as Link Intime India Private Limited)
506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre,
Off. C G Road, Ellisbridge,
Ahmedabad-380006

R&D CENTRES

Zydus Research Centre (ZRC)
Survey No. 396/403, Sarkhej-Bavla N.H. No. 8A, Moraiya,
Ahmedabad-382213

Pharmaceutical Technology Centre (PTC)
Plot No. 417, 419, 420,
Sarkhej-Bavla N.H. No. 8A,
Moraiya, Ahmedabad-382210

Zydus Active Pharmaceutical Ingredients (API) Park
Survey No. 233, 234/2, 236/1, 237/1, Tandalja,
Behind Bright Day CBSE School, Vasna Bhayali Canal Road, Vadodara-390002

Pharmaceutical Technology Centre (PTC)
265/266/267, Sarkhej-Bavla N.H. No. 8A,
Opp. Laxminarayan Petrol Pump, Sanand,
Ahmedabad-382213

Vaccine Technology Centre (VTC)
Plot No. 23, 25/P, 37, 40/P, 42,
Sarkhej-Bavla N.H. No. 8A,
Opp. Ramdev Masala, Changodar,
Sanand, Ahmedabad-382213

MANUFACTURING FACILITIES

Human Formulations

Plot No. 417, 419, 420, Sarkhej-Bavla N.H. No. 8A,
Moraiya, Ahmedabad-382210
(Formulations and Vaccines)

Swaraj Majra, Juddi Kalan, Baddi, Tehsil-
Nalagarh, District-Solan,
Himachal Pradesh-173205

Plot No. 203-213,
Kundaim Industrial Estate, Kundaim,
Ponda, Goa-403115

Plot No. 1A/1 & 2, Pharma SEZ Sarkhej-
Bavla N.H. No. 8, Matoda, Sanand,
Ahmedabad-382213

Plot No. 1A, Pharma SEZ Sarkhej-
Bavla N.H. No. 8,
Matoda, Sanand, Ahmedabad-382213

Plot No. 1B, Pharma SEZ Sarkhej-
Bavla N.H. No. 8,
Matoda, Sanand, Ahmedabad-382213

Plot No. 254-255, Behind Zyfine Unit,
Opp. Lakshminarayan Petrol Pump,
Sarkhej-Bavla N.H. No. 8A, Changodar, Sanand,
Ahmedabad-382210

Survey No. 434/6/B & 434/1/K, Jarod,
Waghodia, Vadodara-391510

Active Pharmaceutical Ingredients

291, GIDC Industrial Estate,
Ankleshwar-393002

Plot No. 5/1-B, GIDC Industrial Estate,
Ankleshwar-393002

Plot No. 26-29, 31,
Dabhasa Umraya Road,
Dabhasa, Padra, Vadodara-391440

Plot No. 162, Ekalbara Road,
Dabhasa, Padra, Vadodara-391440

Plot No. 254-255, Behind Zyfine Unit,
Opp. Lakshminarayan Petrol Pump,
Sarkhej-Bavla N.H. No. 8A,
Changodar, Sanand,
Ahmedabad-382210

Plot No. 265,266,267
Opp. Laxminarayan Petrol Pump,
Sarkhej-Bavla N.H. No. 8A,
Changodar, Tal.: Sanand
Dist. Ahmedabad-382210

Plot No N-15, Additional M.I.D.C,
Ambernath, Maharashtra 421506

Biological Products and Vaccines

Plot No. 23, 25/P, 37, 40/P, 42 to 47, Sarkhej-
Bavla N.H. No. 8A, Opp. Ramdev Masala,
Changodar, Sanand, Ahmedabad-382213





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Forward-looking statement

In this Integrated Annual Report, we may have disclosed forward-looking information to enable stakeholders to comprehend our prospects and take informed decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Scan QR code to see this report online

You can also find this report online: https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf



Celebrating the Birth Centenary Year

of

Late Mr. Ramanbhai B. Patel
Founder Chairman
19th August, 1925 - 19th September, 2001

Our Founder Chairman Shri Ramanbhai B. Patel was a first-generation entrepreneur and a trailblazer who set out on the path of innovation and co-founded Cadila Laboratories in 1952. Mr. Ramanbhai B. Patel was deeply committed to research, innovation, excellence, quality and pharmaceutical sciences. His perseverance and dedication saw the meteoric rise of Cadila in the newly independent India, contributing to the health of the nation. 100 years on, we pay a tribute to this stalwart who continues to inspire us as we, Zydus Lifesciences Limited, march ahead in our quest for path-breaking discoveries.

Transforming Health, Touching Lives

















At the heart of our growth journey lies a deep commitment to transforming health and touching lives. As a leading lifesciences company, we believe that healthcare is moving beyond the pill. It's about making a meaningful difference in people's lives. Every innovation that we are inspired to do, every therapy we develop, and every path we explore, is driven by this overarching purpose.

This year, we made significant strides across research, manufacturing, and access to critical lifesaving therapies. Through sustained investments in R&D, we advanced a robust pipeline focused on critical therapeutic areas and addressing various health challenges. Our efforts have been rooted in science and powered by a relentless pursuit of excellence.

Our commitment to quality and compliance ensured that our products meet the highest global standards, delivering safety and efficacy to patients across geographies. From Novel Chemical Entities (NCEs) to complex biosimilars and difficult-to-make generics, our diverse portfolio continued to expand access to need based therapies for patients. Our twin approach of access and affordability are bridging unmet healthcare needs. Our researchers worked tirelessly on the novel drug, Lipaglyn to treat liver diseases like Metabolic Dysfunction-Associated Fatty Liver Disease (MAFLD) and Metabolic Dysfunction-Associated Steatohepatitis (MASH). Oxemia, a first-in-India product, provides succour to CKD patients suffering from anaemia. For women battling HER2 positive breast cancer, the Pertuzumab biosimilar, Sigrima has emerged as an affordable treatment and has benefitted many more patients from the access to this critical therapy.

From our rare and orphan drugs portfolio, Nulibry® is now available to treat children suffering from Molybdenum Cofactor Deficiency (MoCD) Type A. Zokinvy® is the first and only FDA-approved treatment for Progeria (including Hutchinson-Gilford Progeria Syndrome (HGPS) and Processing-Deficient Progeroid Laminopathies (PDPL)) in patients 12 months and older. These ultra-rare, fatal genetic disorders can cause accelerated ageing and premature death.

We also deepened our community impact through health awareness campaigns, access programmes, and CSR initiatives - reaching underserved populations and supporting the broader ecosystem of care. At every step, our focus is on empowering lives, through health, education and building sustainable communities.





Looking ahead, we remain dedicated to a patient centric approach through pioneering breakthroughs which improve the quality of life. Guided by our core values and inspired by the trust of millions, we will continue to focus on Science, Health and Innovation.

Together, we are transforming health, touching lives.





Creating impact with life-changing discoveries

Zydus Lifesciences is a global, innovation driven company, pioneering scientific research and technological innovation, with patients at the heart of its efforts.

Guided by the belief that everyone deserves the freedom to live healthier and more fulfilling lives, the company is committed to empowering people through life-transforming healthcare solutions.



Zydus provides pathbreaking and life-changing therapies that address unmet medical needs and enhance quality of life by supporting wellness and better health - whether through disease prevention, early detection, or effective management.

With a focus on optimising access and delivery, Zydus aims to revolutionise healthcare for the future. The company continues to unlock new possibilities in lifesciences through novel drug discoveries.





>US$ 2.75 bn
global revenues[1]

US$ 10.4 bn
Market Cap[2]

US$ 219 mn
R&D spend[1] in FY25[1]
(8.0% of revenues)

5th largest
generic company in the US in terms of prescriptions[3]

Amongst Top 3 in >55%
product families marketed in the US[4]

~50%
revenues from branded business (India, Wellness and EM)

7 R&D Centres
for NCE, APIs,Generics, Vaccines, Biosimilars and Wellness products

39
manufacturing facilities

27000+
Zydans globally incl. >1500 scientists (R&D)

1. In FY25, assuming exchange rate of Rs.84.57/ US$
2. As on 31st March, 2025 at an exchange rate of Rs. 85.5/US$
3. IQVIA MAT March 2025 TRx
4. IQVIA MAT March 2025 TRx

Vision

To be a global life-sciences company transforming lives through pathbreaking discoveries.

Mission

To unlock new possibilities in life-sciences through quality healthcare solutions that impact lives.

Purpose

Empowering people with the freedom to live healthier and more fulfilled lives.





Chairman's Message

Our 27,000 enthusiastic and committed employees drive our progress and purpose. Their expertise powers our impact on patient lives.

Dear Shareholders,

I am pleased to present our inaugural Integrated Annual Report for FY 2024-25. It captures Zydus' three-decade journey of advancing healthcare through science, innovation, and operational excellence. This report outlines our financial performance, ESG initiatives, and our commitment to transparency, sustainability, and long-term value creation. Structured around seven capitals - financial, manufacturing, intellectual, human, social, relationship and natural - it offers a holistic view of our impact on people, communities, and the broader ecosystem. With this, Zydus aligns closer to global benchmarks in integrated reporting, reaffirming our purpose: improving lives through science, innovation, care, and sustainable growth. This is our continuing journey of 'Transforming Health, Touching Lives.'

As we reflect on FY 2024-25, I congratulate the entire Zydus team for sustaining strong financial performance and advancing our core purpose. We further strengthened our balance sheet, expanded our market presence, and incubated new growth verticals. It was a landmark year, with robust, broad-based growth across our businesses.

Our entry into the global MedTech space marks a strategic step towards building a new growth pillar. Backed by advanced manufacturing and a specialist team, the business currently offers interventional cardiology solutions, with more to follow.

The three key pillars of our growth - Innovation, People and Values

Innovation drives everything we do at Zydus. Guided by our patient-centric approach, we aim to deliver breakthrough solutions that address unmet needs, tackle neglected diseases, and enhance quality of life.

Our efforts on advancing our portfolio of NCEs, biologics including biosimilars, vaccines as well as rare disease therapies are meant to improve global patients' health outcomes, impacting their lives and eventually help create lasting stakeholder value.

Our NCE research has made strong progress in liver diseases such as MAFLD, MASH, and PBC. We are also advancing therapies for sickle cell disease. Additionally,

our pipeline includes promising candidates for addressing unmet medical need indications like, ALS, UC, Parkinson's disease and CAPS.

Our U.S. based rare disease business, Sentynl Therapeutics, has made a meaningful difference in the lives of newborns with rare neurological disorders. The company is now awaiting USFDA approval for CUTX-101, a treatment for Menkes disease, which currently has no approved therapy. These therapies for rare and orphan diseases play a vital role in improving outcomes and quality of life for patients with unmet needs.

Our 27,000 enthusiastic and committed employees drive our progress and purpose. Their expertise powers our impact on patient lives. With a solid foundation and forward-looking strategy, Zydus is well-positioned to seize the opportunities of the next decade - each milestone a testament to our people's collective excellence.

Creating a future-ready organisation

AI is transforming our workplace by streamlining processes, enhancing decision-making, and driving innovation across functions - from research to marketing. By integrating automation and intelligent tools, we are boosting efficiency, precision, and speed while strengthening our focus on quality, safety, and impactful healthcare delivery.

We have begun integrating AI in areas like digital pathology and risk stratification. Tests like CanAssist® Breast use ML to assess protein expression, delivering objective, reproducible insights that aid oncologists in making informed chemotherapy decisions.

Focusing on sustainability, supporting communities

As a responsible organisation, sustainability is embedded across our operations. We are on track to achieve net water neutrality by 2028 and are aligned with long-term carbon goals. Climate risk assessments have helped mitigate asset-level risks, while a 38% rise in renewable energy use over last three years and green manufacturing practices have reduced water, energy, and waste - without compromising output. Our improved ESG ratings in key frameworks like S&P Global CSA and Sustainalytics reflect this continued progress.

Our CSR initiatives, driven by five pillars - Swasthya (Health), Shiksha (Education), Shodh (Innovation), Saath (Community), and Saksham (Livelihoods) - continue to create meaningful impact. Zydus Medical College and Hospital in Dahod provides free healthcare to over 4 lakh underserved patients annually, offers medical treatment and provides medical education to help increase the pool of HCP's to create a rich talent pool to serve communities healthcare needs in the future. We have enhanced learning environment, supported grassroot innovation, improved agricultural livelihoods through watershed projects, and empowered women through skill development - strengthening communities at every step.

As we look ahead, we remain focused on seizing emerging opportunities, leveraging transformative technologies, and going beyond the pill to deliver holistic solutions that promote both health and wellbeing.

Our progress is driven by the dedication of our people and the trust of our stakeholders - patients, partners, providers, investors, and communities. Their unwavering support has empowered us to take bold strides and reimagine the future of lifesciences. Our relentless pursuit of innovation-led growth, demonstrated by our strong performance in recent years, is set to drive profitable operations and maintain a robust balance sheet, creating exceptional shareholder value. With unwavering commitment to high standards of governance and transparency, we are poised to build a brighter, healthier future for all.

As we look to the future, we do so with thoughtful optimism - rooted in science and inspired by the difference we can make together. With collective resolve and shared purpose, we are confident in our ability to transform health, touch lives, and shape a future where care is more connected, and far-reaching than ever before.

Pankaj R. Patel
Chairman

About the Report

At Zydus, our steadfast commitment to transforming the future of healthcare remains a cornerstone of our mission. We envision a world where healthcare is not only accessible and sustainable but also revolutionary, delivering a positive impact on the lives of individuals and communities globally. As a pre-eminent lifesciences leader, we are dedicated to creating lasting value for all our stakeholders. It is with great pride that we present our Integrated Report (IR), a testament to our ongoing legacy.

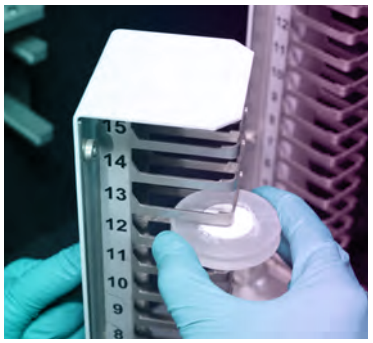
Our maiden Integrated Report for the financial year 2024-25 provides a nuanced and comprehensive analysis of our performance across the six capitals that holistically capture our performance: Financial, Manufactured, Intellectual, Human, Natural, and Social & Relationship. By harnessing these vital resources, we aim to forge long-term value for all our stakeholders, paving the way for a brighter, more inclusive future for all.

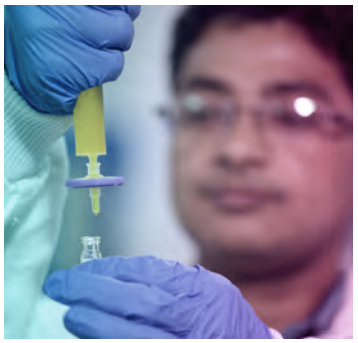
Reporting Frameworks and Guidelines

For our FY 2024-25 Integrated Report, we've adopted the International Integrated Reporting Council's (IIRC) framework, helping us show our healthcare contributions and commitment to openness comprehensively. Our report is distributed into the following six capitals as per the International Integrated Reporting Council (IIRC) guidelines that enable us to capture our business performance from 360 degrees:

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













Our Key Performance Indicators follow the Global Reporting Initiative (GRI) Standards 2021. We have also included relevant disclosures from the Sustainability Accounting Standards Board (SASB) for the Biotechnology and Pharmaceuticals sectors. Our financial and statutory content, such as the Director's Report, Corporate Governance Report, and Management Discussion, is compiled following the Companies Act, 2013, and Rules framed there under, Indian Accounting Standards, SEBI Regulations, Secretarial Standards, and other relevant laws, as may be applicable and amended periodically. This comprehensive report demonstrates our commitment to transparency and accountability, giving stakeholders a holistic picture of our performance. Using these reporting frameworks, we aim to give and all the stakeholders a clear view of our financial and non-financial performance. This includes our approach to Environmental, Social, and Governance (ESG) issues, our goals, and their impacts and outcomes.

Reporting Boundary, Scope, and Period

Our Integrated Report encapsulates the financial and non-financial performance of Zydus Lifesciences Limited and all its subsidiaries, covering the period between April 1st, 2024, to March 31st, 2025. This includes our subsidiaries and 96 operational units globally. Our report also sheds light on the factors influencing Zydus' capability to generate value, encompassing insights from our operational units to highlight the company's commitment to operational excellence and efficiency while detailing how we are incorporating sustainability across our businesses.



Exclusions

We report that there are no geographical exclusions in this year's report.

Responsibility Statement

Zydus Lifesciences Limited states that this Integrated Report accurately represents our company's financial, non-financial, sustainability, and operational performance for FY2024-25. The Board confirms that the content within this report was compiled with the input of various business functions and crafted under the careful oversight of senior management and functional leaders.

Assurance

Our commitment to transparency is reinforced through the independent assurance of non-financial information within our IR and BRSR, conducted by M/s Intertek India Private Limited. The assurance statement is documented on page 272. Moreover, our financial statements undergo rigorous independent auditing by M/s DELOITTE HASKINS & SELLS LLP, with the audit statement accessible on page 286.

Feedback Invitation

Zydus values ongoing enhancement and attentiveness to our stakeholders' needs and expectations. We encourage and appreciate your input, ideas, and questions to help us improve.

Please feel free to reach out to us:

- **Designated Contact:** Dhaval Soni
- **Designation:** Company Secretary
- **Email:** dhavalsoni@zyduslife.com

Operational Highlights



Consolidated Financial Highlights

- Total income from operations was up by 19% y-o-y to Rs. 232.4 billion from Rs.195.5 billion in previous year.
- Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA) grew by 31% y-o-y to Rs. 70,585 million from Rs. 53,843 million in previous year. The EBITDA margin as % of total income from operations for the year stood at 30.4%, which is an improvement of 290 bps over the previous year.
- Net profit (adjusted for exceptional items and profit of discontinued operations), grew by 23% y-o-y to Rs.47,451 million compared to Rs. 38,507 million in previous year.
- The Company continued to hold net cash position as on March 31, 2025 with net cash of Rs. 48,836 million, an increase of Rs. 40,275 million over previous year. The Net debt to equity ratio further improved to -0.20 as on March 31, 2025. The Net debt to EBITDA ratio for the year was -0.69 as against -0.16 in previous year.

Innovation

New Chemical Entity (NCE) Research

Lipaglyn® and Bilypsa® (Saroglitazar Magnesium)

- To validate and establish the therapeutic effectiveness of the medicine, the company has launched the EVIDENCES-XI Phase IV clinical trial, a post-marketing surveillance study, currently being conducted in India. This ongoing study focuses on patients diagnosed with Metabolic Dysfunction-Associated Fatty Liver Disease (MAFLD) who present with various comorbid conditions.
- The molecule is currently undergoing clinical trials targeting Primary Biliary Cholangitis (PBC) and Metabolic Dysfunction-Associated Steatohepatitis (MASH) indications for the US market.
  - » Patient recruitment for the Phase II(b)/III clinical trials targeting PBC has been successfully completed. Data monitoring and patient follow-up are currently underway, with a comprehensive data readout expected by the end of calendar year 2025.
  - » In parallel, patient recruitment for the Phase II(b) clinical trials evaluating the molecule for MASH has been successfully completed. Subsequent data monitoring and patient follow-up activities are currently underway.
  - » Additionally, Phase II(a) clinical trials of the molecule have been completed in patients with Polycystic Ovary Syndrome (PCOS) and MAFLD.

Oxemia™ (Desidustat)

- To validate and establish the therapeutic effectiveness of the medicine, the company has initiated the DREAM-CKD Phase IV clinical trial, a post-marketing surveillance study, currently being conducted in India.
- Initiated Phase II(a) clinical trials in collaboration with the Indian Council of Medical Research (ICMR) to evaluate the efficacy and safety of the molecule in sickle cell disease patients.
- On the global development front, the Company's Chinese licensing partner, China Medical System Holdings Limited (CMS), has received acceptance from the Chinese regulatory authority for the New Drug Application (NDA) of the molecule.

Usnoflast (ZYIL1)

- Clinical development is ongoing for four indications viz. Amyotrophic Lateral Sclerosis (ALS), Ulcerative Colitis (UC), Parkinson's Disease (PD) and Cryopyrin-Associated Periodic Syndrome (CAPS).
- Phase II(a) clinical trials for ALS have been successfully completed in India, and Phase II(b) trials are currently underway in the US. The molecule has been granted Orphan Drug Designation (ODD) and Fast Track Designation by the US FDA, underscoring its potential to address a critical unmet medical need.
- The Company has successfully completed Phase II(a) clinical trials for UC in India,



Biologics

- The Company secured marketing authorizations for Pertuzumab and Nivolumab biosimilars in India. Pertuzumab has been commercially launched under the brand name Sigrima™.
- The Company completed clinical development of one biosimilar candidate in India and submitted a marketing authorization application. Additionally, the Company has filed a request with the Drug Controller General of India (DCGI) to initiate Phase III clinical trials for another biosimilar, further advancing its development pipeline.
- The Company expanded international footprint with regulatory approvals in Mexico for two oncology biosimilars viz. Bhava™ (Bevacizumab biosimilar) and Mamitra™ (Trastuzumab biosimilar).



Vaccines

- The Company successfully completed Phase II clinical trials for Hepatitis E vaccine.
- The Company received regulatory approval to initiate Phase II clinical trials for the Bivalent Typhoid Conjugate Vaccine (TCV), advancing its efforts to combat enteric diseases.
- The Company initiated the development of the world's first combination vaccine against shigellosis, supported by the Bill & Melinda Gates Foundation.
- The Typhoid Conjugate Vaccine (ZyVac® TCV) has received in-principle acceptability from the WHO. This recognition makes ZyVac® TCV eligible for procurement by United Nations agencies, enhancing its global accessibility.
- The Rabies vaccine has also been pre-qualified by WHO, confirming its compliance with international standards and making it eligible for UN agency procurement.

Specialty and Complex Generics

505(b)(2) initiatives

- Received final approval for the third New Drug Application (NDA) submitted via the 505(b)(2) regulatory pathway viz. Zituvimet™ XR, a fixed dose combination of Sitagliptin and Metformin Hydrochloride ER tablets, targeting metabolic disorder management.
- With this approval, the entire Sitagliptin franchise comprising ZITUVIO™, ZITUVIMET™, and Zituvimet™ XR has now received First-Cycle approvals under the 505(b)(2) route.
- The Company entered into licensing agreement with Synthon BV for a novel oncology product, with plans to file the NDA in 2026, further expanding the Company's oncology pipeline.

Specialty Initiatives

- The Company acquired the global proprietary rights to Zokinvy® (Lonafarnib) for the treatment of Hutchinson-Gilford Progeria Syndrome (HGPS). Zokinvy® is approved by regulatory authorities in the US, EU, Great Britain, and Japan, reinforcing its global therapeutic relevance.

  With this acquisition, the Company has so far acquired three assets in orphan and ultra-rare diseases space.
- NDA for CUTX101, a copper histidinate product candidate for the treatment of Menkes disease, has been accepted for review and granted Priority Review designation by the US FDA.



India Geography

Formulations Business

- The business sustained the growth momentum through the year and outpaced the market growth led by healthy volume growth and new product launches. The business outpaced the market growth in last couple of years on the back of various strategic initiatives undertaken in the past.
- Contribution of chronic portfolio has increased consistently over the years and stood at 43% during the year, which is an improvement of 400 bps over the last three years.
- In terms of therapeutic performance, during the year, the Company grew faster than the market in key therapies of Cardiology, Respiratory, Anti-infectives and in super specialty area of Oncology.
- Innovation portfolio has been one of the key levers of sustainable growth in recent years. Brands like Lipaglyn®, Bilypsa®, Oxemia™ and Ujvira™ sustained the growth momentum and made significant strides in terms of patient coverage to delivered strong volume growth during the year.
- The business grew by 10% and registered sales of Rs. 59,315 million.



Consumer Wellness

- The business delivered industry leading double-digit growth backed by robust 13% volume growth.
- Personal care portfolio, which comprises of nycil® and everyuth® brands, witnessed strong consumer traction and achieved robust double-digit growth of 33%.
- Food and nutrition segment maintained its upward trajectory, with double digit growth of 13%, led by category expansion, product innovation, and supported by acquisition of Naturell (India) Pvt. Ltd., a leading player in healthy snacks category with a portfolio of Max Protein® and Rite Bite brands.
- Share of organized trade went up to 23% of total sales (e-commerce: 10%, modern trade: 13%). Quick commerce now accounts for 41.4% of total e-commerce, benefiting from a lower cost to serve viz-a-viz overall e-commerce segment.
- The business grew by 17% and registered sales of Rs. 26,810 million.



US Formulations Business

- The business sustained the growth momentum during the year and delivered strong double-digit growth on a higher base of the previous year, driven by rich portfolio and focused execution.
- In the generics business,
  - » Growth during the year was driven by sustained volume expansion in base business, execution success in new launches and supported by stable pricing environment.
  - » Ranked 5th among US generic companies based on prescriptions (Source: IQVIA, Regulatory Insights, MAT March 2025 TRx).
  - » Held leadership position in over 20% of the product families and is ranked amongst top 3 players in over 55% of the product families (Source: IQVIA, Regulatory Insights, MAT March 2025 TRx).
  - » Launched 17 new products during the year, including 2 first-to-file products.
  - » Received 24 ANDA approvals (including 5 tentative approvals) and filed 27 additional ANDAs with the US FDA during the year.
- In the specialty business,
  - » Launched all 3 brands of Sitagliptin 505(b)(2) franchise viz. Zituvio™, Zituvimet™ and Zituvimet™ XR tablets. Entered into an agreement with CVS Caremark to add Zituvio™, Zituvimet™ and Zituvimet™ XR tablets to its formulary.
- In the animal healthcare business,
  - » Received 2 ANADA approvals and launched 3 new products.
  - » Partnered with different distribution partners, including general practice hospitals, corporate hospitals and group purchasing organisations.
- The business grew by 27% and registered sales of Rs. 110,500 million. In constant currency terms, the business registered revenues of US$ 1307 mn with a growth of 25%.



International Markets Formulations Business

- The business comprises of select territories of Asia Pacific, Africa, Middle East and Latin America region (together known as "Emerging Markets") and select countries of Europe.
- The business delivered strong performance on the back of healthy demand-led growth across key markets. The business has consistently delivered strong double-digit growth over last several years.
- The business grew by 14% and registered sales of Rs. 21,947 million.



APIs

- Filed 5 DMFs with the US FDA, taking the cumulative number of filings to 147.
- The business contracted by 1% and registered sales of Rs. 5,602 million.



Manufacturing and Quality

- Transdermal formulations facility located in Ahmedabad SEZ received an Establishment Inspection Report (EIR) from the US FDA with a Voluntary Action Indicated (VAI) status against an inspection conducted in July, 2024.
- Topical manufacturing facility located at Changodar, near Ahmedabad and two of the API manufacturing facilities located at Ankleshwar in Gujarat and at Ambernath in Maharashtra successfully completed the US FDA inspections without any observations.

  Recently, Ambernath API facility also received an EIR from the US FDA with a No Action Indicated (NAI) status.
- Moraiya and Baddi formulations facilities bagged Gold Award at National Awards for Manufacturing Competitiveness.
- Oral Solid Dosage (OSD) II formulations facility located in Ahmedabad SEZ received Facility of the Year Award 2024 for process innovation and automation to scale up the operations and in turn, reduce cost and turnaround times.
- API Unit II located at Ankleshwar received Gold Award from the Quality Circle Forum of India (QCFI) for various capability building initiatives in the areas of process excellence, quality excellence, solvent recovery and human resources practices.



Other Updates

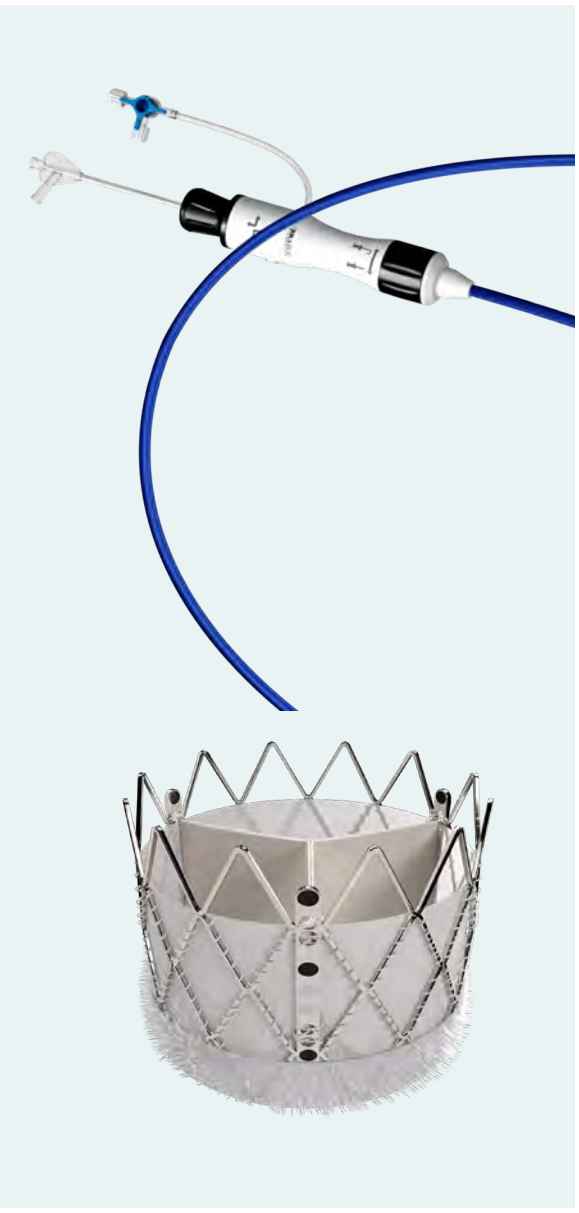
- The Company acquired 50% stake in Sterling Biotech Ltd (SBL) during the year from Perfect Day Inc. to form a 50:50 JV and forayed into specialised bio-tech products for health and nutrition

  The acquisition marked Zydus' foray into specialised biotech products for health and nutrition, specifically catering to consumers who prefer animal-free protein or suffer from lactose intolerance.

  The JV will establish a state-of-the-art manufacturing facility to manufacture fermented animal free protein to cater to the global markets.

- The Company forayed into Medtech space by agreeing to acquire a majority stake in Amplitude Surgical SA, France - a European MedTech leader in high-quality, lower-limb orthopaedic technologies.
- The proposed acquisition shall act as a platform to execute global MedTech strategy and a natural extension for the Company having a proven track record in life sciences and wellness segments.





Value Creation Model for Zydus

Capitals	Inputs
Financial Capital allocation with a focus on business resilience, powered by sustainable and sustained operations	Capex: INR 12,140 Mn Opex: INR 46,999 Mn Working Capital: INR 56,629 Mn
Intellectual Enhancing our research capabilities by investing in therapies that addresses ciritical unmet patient needs	1,500+ scientists across 7 R&D centres R&D Investment: INR 18,555 Mn Initiated 15 clinical trails, enrolling 4,400 patients
Human Fostering a future ready talent pool with a focus on equal opportunity and holistic growth and wellbeing of our workforce	27,000+ global workforce 34 average training hours per person >INR 80Cr spend on employee wellbeing
Manufactured Strenghthening our manufacturing capabilities with operational and process optimisations to supports secure, compliant and efffective operations	39 state-of-the-art Manufacturing facilities 5% capex invested in socially positive and environmentally friendly processes
Natural Commitment towards carbon and net water neutrality and strategic safe disposal of waste for a healthier planet	44% renewable energy sourced of 3.17 Mn GJ of total energy consumed 9.24 Lac KL water recycled Committed to Zero Waste to Landfill
Social & Relationship Building strong stakeholder relationships to contribute to and enhance shared value creation	INR 639.61 Mn CSR spend 73% local sourcing Patient awareness initiatives

Inspired by our purpose, supported by our values and enabled by our core capabilities and differentiators

Core Capabilities and Differentiators
Corporate Governance and Internal Controls



S&P Global
Scored 78/100 in S&P CSA 2025

SUSTAINALYTICS
Rated Medium risk on Sustainalytics with a score of 29.5

NSE
NSE Sustainability Ratings and Analytics Limited Score: 67/100

Outputs	Outcomes	SDG
INR 232,415 Mn Revenue from Operations INR 70,585 Mn EBITDA ROCE: 24.7%	Drive sustainable growth with capital efficiency & financial resilience	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
86 patents filed, 48 granted 24 ANDA approvals and 147 cumulative DMFs filed WHO pre-qualification for ZyVac® TCV	Improve access to high quality products to drive positive healthcare outcomes and wellness	3 GOOD HEALTH AND WELL-BEING; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Certified as Great Place to Work fourth time in a row 8% female workforce 19% turnover rate for permanent employees	Build an empowering and inclusive workplace	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Manufacturing Capacity: OSD – 41.76 Bn pills, Injectable – 346 Mn units 829 MWh electricity and 128 MT fuel saved by process modifications/improvements 940 MWh saved by adopting new technologies	Operate with integrity, transparency and accountability	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
8% reduction in energy intensity and 15% reduction in GHG intensity 10% reduction on water intensity 55% waste diverted from landfill	Adapting business practices that promote environment sustainability	6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND
4.87 lakh+ CSR beneficiaries 39% ESG compliant suppliers ~20,000+ liver screening camps conducted	Deliver social impact for underserved communities	1 NO POVERTY; 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCE INEQUALITIES; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION; 15 LIFE ON LAND; 17 PARTNERSHIPS FOR THE GOALS

Innovation led, socially responsible and eco-conscious

Impact
- 5th largest company in the US in terms of prescriptions
- Leading Oncology player in India
- Market leading brands - consumer wellness
- 39 Manufacturing facilities
- Multiple Awards

Sustainability at Zydus

Stakeholder Engagement and Materiality Assessment

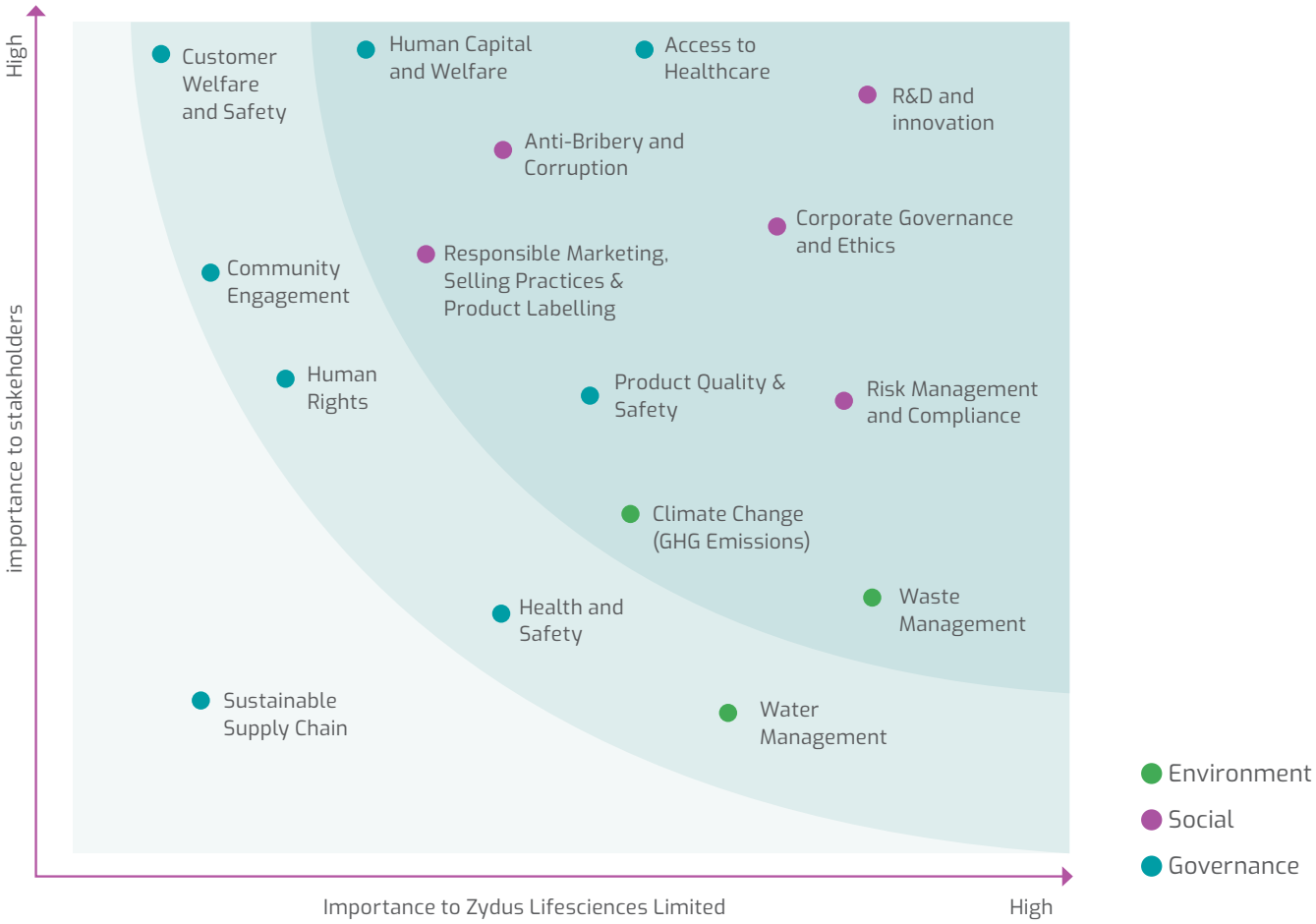
In its commitment to sustainability, the Company prioritizes stakeholder engagement as a fundamental component of the operational strategy. Continuous and detailed interactions allow the Company to gain valuable insights into stakeholder expectations, which are integrated with its business strategies. The Company aims to create sustainable long-term value for all stakeholders while enhancing positive social and environmental impacts.

To effectively identify and engage its stakeholders, the Company has implemented a structured approach. The stakeholder mapping encompasses a wide range of groups, including shareholders, regulators, suppliers, healthcare professionals, industry partners, local communities, consumers, patients, and employees.

The Company conducted a comprehensive Materiality Assessment[6] in FY 2021-22 that involved consulting both internal and external stakeholders. This thorough process enabled to identify critical material issues, which were subsequently incorporated into the operational strategy and value creation efforts of the Company The insights gathered also informed the risk management practices to address potential risks and develop appropriate responses that protect business value to the Company[7]

The Company is dedicated to reviewing and reassessing these material issues every three years, ensuring alignment with emerging stakeholder expectations and business priorities. The Board of Directors and Senior Management have endorsed these identified priorities, demonstrating Company's commitment to proactive sustainability management and continued improvement in ESG performance.

The prioritised material issues of the Company are depicted below:[8]



[6]GRI 3-1, [7]GRI 3-1, [8]GRI 3-2

Our ESG Commitments

In a world increasingly impacted by climate change and societal fragmentation, both of which threaten lives and ecosystems, the Company understand the urgent need to tackle these issues. Addressing them not only affirms the Company's commitment to responsibility and innovation but also lays the foundation for a resilient future for everyone. At Zydus Lifesciences, sustainability is embedded in its strategic approach to operations, supply chain management, and stakeholder relationships.

Aligned with vision "To be a global life sciences Company transforming lives through groundbreaking discoveries," the Company'ssustainability strategy is built on three essential pillars: dedication to global climate change, corporate citizenship, and fostering social transformation through responsible business practices. Furthermore, the Company determined to contribute to achieving the Sustainable Development Goals through its various commitments and initiatives.

The Company has set strategic targets designed to enhance its positive impact on all stakeholders. These objectives strongly support the Company's efforts for a sustainable and improved future, ensuring accountability throughout operations. The Company is resolved to make focused and consistent efforts to meet these targets for the India operations by 2035.

Vision:
To be a global lifesciences Company transforming lives through path-breaking discoveries

ESG Pillars:

Combatting Global Climate Change:

Affordable and Clean Energy
Water Management

Clean Water and Sanitation
Climate Change (Energy and Emissions)

Responsible Consumption and Production
Waste Management and Extended Producer Responsibility

Climate Action
Climate Change (Energy and Emissions)

Life on Land
Biodiversity Conservation

Employee and Community Wellbeing

No Poverty
Corporate Social Responsibility

Zero Hunger
Corporate Social Responsibility

Good Health and Wellbeing
Employee Health and Safety

Gender Equality
Community Engagement

Decent Work and Economic Growth
Human Capital and Welfare

Sustainable Cities and Communities
Community Engagement

Good Governance Practices

Industry, Innovation and Infrastructure
Research and Development and Innovation

Responsible Consumption and Production
Sustainable Supply Chain, Responsible Marketing, Selling Practices and Product Labelling

Peace, Justice and Strong Institutions
Anti-Bribery and Corruption, ESG Reporting and Performance

Partnerships for the Goals
Corporate Governance and Business Ethics

Goals:

Environment

- **Carbon neutrality** for scope 1 and 2 emissions in India operations
- **Net water neutrality** by 2028 for India operations
- **Diverting 40%** of incinerable/landfill waste from Indian operations to co-processing by 2026

Social

- **Employee satisfaction survey for 100%** of employees
- **Gender diversity of 12%** by 2028
- **Ensure 100% completion** of mandatory training to applicable employees
- **100% strategic suppliers** to be compliant with ESG framework by 2027

Governance

- **100% compliance** with legal requirements
- **Enhance disclosure** on our ESG progress aligned with global ESG frameworks and standards
- **100% of India operations** to be certified with ISO 14001 and ISO 45001



Risk Management

At Zydus, robust risk management is essential for navigating complex environments and achieving sustainable growth. The Company's risk management framework is designed to identify, monitor, and mitigate strategic, operational, financial, and compliance risks. This framework promotes a consistent and collaborative approach to risk identification, prioritization, response, and monitoring, while also providing reports to the Audit Committee, Risk Management Committee, and the Board of Directors for informed decision-making and risk mitigation actions.

Led by the Company's Chief Risk Officer (CRO), the framework empowers all employees and business associates to report any identified risks. Additionally, the Company has integrated sustainability, including climate change risks, within the Enterprise Risk Management Framework, enabling the categorization of risks based on their probability of occurrence within a defined timeframe. For more details, please refer to the **Risk Management Policy**.

The primary aim of the Company's Risk Management Framework is to facilitate sustainable business growth and stability through a structured and comprehensive approach. Zydus views ongoing risk management as a fundamental aspect of its operations and recognizes that the ability to identify and address all potential risks is vital for achieving the Company's objectives.

Risk Governance

The Company has structured its risk governance to ensure a cohesive and effective approach to risk management across the organization. The independent Risk Management Committee (RMC), composed of Board members, plays a crucial role in overseeing the implementation of risk management policies, and monitors the effectiveness of the processes used to identify and evaluate business risks. Each Business Unit Head coordinates risk management activities within their specific functions, further strengthening identification, assessment, prioritization, and evaluation of various risks. The Company's Chief Risk Officer (CRO) oversees the overall risk management framework and collaborates with Business Unit Heads to ensure achievement of risk management objectives and responsiveness to the evolving risk landscape.

The Company believes that a strong risk governance framework not only clarifies roles and responsibilities but also incorporates feedback loops for continuous improvement, which is based on periodic reporting and audits. This integrated approach supports alignment between risk management practices and the strategic objectives of the Company.

Overall Responsibility	The independent Risk Management Committee (RMC), constituted by Board of Directors.
Operational Coordination	Individual Business Unit Heads manage and coordinate risk management activities for their units.
Monitoring and Support	The CRO oversees the risk management framework and provides support for the execution of risk management processes.
Reporting	Regular reporting to the Board and RMC on newly identified risks and material changes in the risk landscape.
Continuous Improvement	Feedback loops were established for refining risk management processes via periodic audits and assessments.

Details on the Company's identified risks and associated mitigation measures are available on page 157 of this report.

Risk Culture

The Company recognizes that risk culture encompasses the attitudes, values, and behaviors regarding risk management with the organization. Focused efforts are undertaken foster an environment where risk awareness is integrated across the Company. A robust risk culture supports effective risk management and encourages employees to take proactive measures in identifying and mitigating risks. The Company reinforces a proactive risk culture through ongoing training initiatives, such as risk-specific courses available on the Company's learning portal, Zy-learn, covering essential topics like risk types and management strategies.

Furthermore, the Company promotes a positive risk culture by linking financial incentives to the performance of our business heads in minimizing and mitigating risks. This alignment ensures that all employees are engaged in the risk governance process and accountable for their roles in safeguarding the organization's success.



Governance Structure

The Company's approach to Corporate Governance prioritises principles of diligence, transparency, responsibility and accountability, based on core values. The Company is committed to maintaining the highest standards of corporate governance. All the systems, processes and action plans have been designed and developed to promote enhanced performance and stakeholder value creation. This top-down approach strongly supports Company's commitment to sustainability and ensures effective governance practices, while maximizing operational excellence.[1]

Board of Directors

The Company's one-tier Board comprises 9 directors, including 2 Executive Directors, and 7 Non-Executive Directors, of which 5 are Independent Directors (55%). There are 2 female directors on the Board.[2]

All Independent Directors meet the criterion set out by the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations. 2015. Annual independence declarations are also submitted to further confirm compliance. In line with SEBI requirements, the Company ensures that at least 50% of the directors are Independent. To ensure that there are no conflicts of interest, the Company has developed a robust system for compliance. All potential conflicts of interest must be declared and reviewed by the Board as required by the Company's Code of Business Conduct and Ethics. Any director with a conflict is not permitted to participate in related business decision making processes. There were no instances of conflict of interest in FY 2024-25[3]

The primary role of the Board is to protect interest and enhance the value for all the stakeholders. It conducts overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision-making process to be followed. As the highest authority, the Board plays a critical role in managing stakeholder expectations and driving and delivering sustainable value creation.[4] The Board of Directors is chaired by Mr. Pankaj R. Patel, a non-executive director.[5]

The Chairman and the Managing Director are in overall control and responsible for the overall working of the Company. They provide strategic directions, lay down the policy guidelines and ensure the implementation of the decisions of the Board and its Committees. The Managing Director and the Executive Director are responsible for leading and directing the Company's overall operations. The Board reviews the performance of the Company on a quarterly basis based on updates received from the Managing Director, Chief Financial Officer and other senior executives.[6]

As of 31st March 2025, the average tenure of the Board was 12.64 years. The strength of the Board lies in its diversity in skills and experience. Within the board composition, oneof the Company's independent/nonexecutive directors bring specialized expertise in the pharmaceutical industry. Further information on the skills and expertise of the Board is available on pg 201 of the Corporate Governance Report.

In the reporting year, the Company held 7 Board meetings, recording an average attendance rate of 94%. To ensure active participation of Board members in proceedings, The Company's Independent directors hold less than 7 mandates in other publicly listed companies.

During the reporting period, the Nomination and Remuneration Committee (NRC) carried out an evaluation of the Board, in line with the SEBI Guidance Note on Board Evaluation. Evaluation sheets are circulated to all the directors, which once filled are submitted to the Chairman of the Board. The assessment is conducted on multiple levels - for the Board as a whole, Committees of the Board, Individual Directors and the Chairman of the Board. A distinct evaluation of the Board's independent directors is also conducted, evaluating their preparedness for Board meetings, relationship with other Board members, their knowledge of market and regulatory developments.[7]

The eligibility of a person to be appointed as a Director of the Company is dependent on possession of the requisite skills, as identified by the Board. In line with the Companies Act, 2013, one-third of all non-independent directors retire by rotation and are re-elected every year. All directors of the Board are elected individually, as opposed to 'by slate'. All directors are paid remuneration in line with the Company's Nomination and Remuneration Policy. Further information can be found on page 208 of the Corporate Governance Report.[9]

Board Committees

The Board Committees are a crucial part of the Company's governance framework. The Board has established 7 Board Committees, each with distinct roles and responsibilities to drive operational and business excellence.[10] The Board committees oversee specialized areas of operations and provide recommendations based on expertise. The management implements the policies and procedures and manages day-to-day operations. The Board takes an active part in the deliberations of the Board meetings and provides guidance and advice to the management on various aspects of business. These Committees meet regularly to address technical and specialised matters, providing detailed insights and recommendations to the Board of Directors.[11] Additionally, these Committees also play a crucial role in overseeing the implementation of the policies, processes and initiatives. Further details on the Board Committees and their distinct responsibilities can be found on pg 205 of the Corporate Governance Report.

ESG Governance

Adopting a top-down approach to sustainable operations and fostering positive impact, Corporate Social Responsibility (CSR) and Environment, Social and Governance (ESG) Committee, has been identified as the nodal authority to drive sustainable value creation. Guided by detailed terms of reference, this Committee monitors and oversees Company's sustainability efforts and regularly provides updates to the Board of Directors. This committee also reviews the ESG performance on a periodic basis, enabling continuous improvement and strategic decision making.[12]

The Company has formalized a Policy for Environment, Social and Governance. This policy outlines the objective and commitment to integrate sustainability across operations and provides a comprehensive guide on the principles it expects its stakeholders to adhere with. The Company's dedication to sustainability is a fundamental aspect of the corporate identity. By integrating environmental stewardship, social responsibility, and robust governance into every facet of operations, the Company aims to create lasting value for its stakeholders and contribute positively to a sustainable future for all.

Ethical Business Conduct

The Company has devised policies to support effective governance and long-term value creation for all stakeholders. These policies provide for a robust framework that drives ethical business operations and socially and environmentally responsible activities, addressing the expectations of a varied stakeholder base including employees, investors, customers, suppliers, regulatory and local communities.[13] Details on the policies can be found on corporate website and pg 226 and 227 of the Corporate Governance Report.[14]

The Code of Business Conduct and Ethics[15] is the guiding framework in how the Company manages its operations and value chain, upholding its commitment to responsible business conduct. It contains detailed provisions on daily management of operations, and all employees and Board members are expected to comply with the same. It also provides detailed guidance on the manner and mode of raising concerns and reporting and breach of the Code.[16]

As provided in the Company's code, it upholds a strict zero tolerance policy to bribery and corruption.[17] By strictly prohibiting any form of unethical behaviour, the Company ensures that operations uphold the highest standards of integrity and accountability. The Company maintains strict vigilance across operations to ensure the highest standard of compliance with the Code and other policies.[18] All employees are provided with annual training on the Code of Business Conduct and Ethics.[19] In FY 2024-25, the Company has not received any complaints on bribery, corruption, conflicts of interest or money laundering.[20]

The Company has also developed a detailed Code of Conduct for Vendors. This Code sets out a clear framework to manage the value chain and the expectations from them. It embodies commitment to environmental protection, promotion of human rights and ethical business practices. All the value chain partners are expected to comply with the provisions.[21]

The Company is committed to providing for necessary safeguards and remediation measures to address any breach of the Code or instance of unethical conduct. The Company's Whistle Blower Policy provides a detailed framework to encourage responsible and secured reporting of instances of unethical behavior, improper practices, actual or suspected fraud, violation of the Company's code of conduct or leakage of unpublished price sensitive information, to the management of the Company.[22] The Company also ensure strong compliance with all laws and regulations as applicable. In FY 2024-25, no instance of legal non-compliance is reported by the Company.[23]

Data Privacy and Cyber Security

The Company has developed a comprehensive Information Security Management Framework to bolster digital security and safeguard the assets. The Information Security Management Policy outlines specific guidelines and responsibilities to maintain an effective information security system. This policy is accessible to all employees

and stakeholders with Company information access. The Chief Information Officer, serving as the Head of Information Technology, holds primary responsibility for executing these policies and procedures at the executive level. Cyber security and data privacy risks are monitored as part of the Enterprise Risk Management framework.

The Company has established a clear process for employees to report and escalate any suspicious activities or threats. The Information Security Incident Management Procedure provides multiple avenues for recording and addressing such incidents. All security incidents must be reported to the Chief Information Security Officer and the Security Incident Response Team. Additionally, personnel can use thecentral IT helpline (ithelpdesk@zyduslife.com) for any concerns.

Employee training in information security and data privacy is mandatory, enhancing their understanding of secure practices and the implications of cybersecurity breaches. Should a breach occur, a thorough investigation is conducted, and necessary corrective actions, including disciplinary measures, are implemented.

To further secure operations and ensure business continuity, the Company has created a detailed Disaster Recovery Standard Operating Procedure (SOP). The Company conducts annual mock drills to evaluate the resilience of the systems and identify vulnerabilities and risks timely. A crucial API plant (accounting for 10% of operations) has achieved ISO 27001 certification, and it is working towards certifying the rest of the operations. Moreover, annual third-party assessments and simulated hacker attack activities are performed. The recent assessment in FY 2024-25 revealed no significant issues. Importantly, ZERO incident of any information security or data privacy breaches affecting operations, employees, customers, or clients experienced during the reporting year.



1 GRI 3-3
2 GRI 2-9
3 GRI 2-15
4 GRI 2-12 and 2-14
5 GRI 2-11
6 GRI 2-13 and GRI 2-16
7 GRI 2-18
8 GRI 2-10
9 GRI 2-19, 2-20 and 2-21
10 GRI 2-13
11 GRI 2-16
12 GRI 2-13
13 GRI 3-3
14 GRI 2-23 and 2-24
15 GRI 2-23 and 2-24
16 GRI 2-25 and 2-26
17 GRI 3-3
18 GRI 205-1
19 GRI 205-2
20 GRI 205-3 and 206-1
21 GRI 2-23 and 2-24
22 GRI 2-25 and 2-26
23 GRI 2-27

Intellectual Capital

Zydus Lifesciences Limited, one of India's leading pharmaceutical companies, has built a robust innovation ecosystem that spans across multiple domains of healthcare and life sciences. Driven by a vision to make healthcare affordable and accessible and fulfil diverse healthcare needs of the patients, empowering them with the freedom to live healthier and more fulfilled lives, the Company invests significantly in advanced research and cutting-edge technologies, with patient-centricity at the heart of every initiative. The Company is committed to bring out varied healthcare solutions to market while upholding the highest standards of quality, safety, and compliance with both local and international regulations. The Company integrates sustainability deeply into its research and development (R&D) strategy, ensuring long-term impact and global health advancement.

The Company's R&D initiatives span across areas such as novel drug discovery, biosimilars, vaccines, specialty products and new dosage form development. Even as the Company continues to expand the businesses in generic and branded formulations space, the innovation engines continue to progress as some of the efforts have already completed full development cycle. Products like Lipaglyn® & Bilypsa® (Saroglitizar), Oxemia™ (Desidustat), Ujvira™ (biosimilar of Kadcyla®) and Twinrab™ (Docaravimab and Miromavimab) have completed their entire life cycle journey from the laboratory to market, and are going strong.





Key Drivers of Zydus' Innovation Success

Patient-Centric Approach	Focuses on developing therapies that address significant unmet healthcare needs, prioritizing patient needs.
Diversified Innovation Pipeline	Spans a wide range of therapeutic areas, including innovative drug research, biosimilars, vaccines, and specialty medicines.
Significant R&D Investment	Dedicates 7-8% of consolidated revenues to research and development, demonstrating a strong commitment to innovation.
World-Class R&D Infrastructure	Leverages 7 state-of-the-art R&D centres and a skilled team of over 1,500 scientists
Embracing Technological Advancements	Utilizes cutting-edge technologies, digitalization, and enhanced expertise to accelerate the pace of innovation.
Global Reach	Serves diverse markets worldwide, ensuring access to critical therapies for patients in need across the globe.

An overview of the efforts being put in by the Company in different areas of innovation is provided below:

New Chemical Entity Research

With a strategic focus on addressing global unmet medical needs and optimizing patient health outcomes, the Company has systematically developed a diversified pipeline of New Chemical Entities (NCEs) spanning multiple therapeutic domains. These R&D efforts are led by Zydus Research Centre (ZRC), the Company's dedicated research arm located in Ahmedabad, which serves as the central hub for its NCE innovation, encompassing target identification, lead optimization, and translational research.

The Centre houses a team of over 500 scientists (incl. over 150 for biotech research) and has the capabilities to conduct drug discovery and development from concept to Investigational New Drug (IND) enabling preclinical and clinical studies.

The following is a molecule-by-molecule summary of the Company's progress during the year:

Lipaglyn® and Bilypsa® (Saroglitazar Magnesium)

Saroglitazar Magnesium represents a landmark achievement for the Company, being the first NCE to be discovered and developed indigenously by an Indian pharmaceutical company.

Since its launch a decade back, the Company has been marketing the molecule in India under the brand names Lipaglyn® and Bilypsa® for multiple indications viz. Diabetic Dyslipidemia, Hypertriglyceridemia, Metabolic Dysfunction-Associated Fatty Liver Disease (MAFLD) and Metabolic Dysfunction-Associated Steatohepatitis (MASH). Patient base for both the brands continued to increase rapidly since the launch.

During the year gone by, Lipaglyn® brand achieved an important milestone as the number of patients treated by the brand crossed 5 million mark since its launch. Lipaglyn® also became the largest brand for the Company in India formulations business during the year.

Bilypsa® brand holds the distinction of being the first brand in India approved for the treatment of Metabolic Dysfunction-Associated Steatohepatitis (MASH).

To validate and establish the therapeutic effectiveness of the medicine, Phase IV clinical trials are being conducted in India on MASH patients with comorbidities. The trial will last 56 weeks, with the primary endpoint being the change in liver stiffness from baseline to week 52.

On the global development front, the molecule is currently undergoing clinical trials for the US market for Primary Biliary Cholangitis (PBC) and Metabolic Dysfunction-Associated Steatohepatitis (MASH) indications. Following are the key updates for these indications.

Primary Biliary Cholangitis (PBC)

- Patient recruitment for EPICS III™ Phase II(b)/ III clinical trials for the US market has been successfully completed. The trials would study the effects of a molecule relative to placebo over 52 weeks across 100 sites globally.
- Data monitoring and follow-up is going on with readout expected towards the end of CY2025.
- The molecule holds an Orphan Drug Designation (ODD) from both the USFDA & the EMA and Fast-Track Designation from the USFDA.

Metabolic Dysfunction-Associated Steatohepatitis (MASH)

Patient recruitment for Phase II(b) clinical trials has been successfully completed. Subsequent data monitoring and patient follow-up activities are currently underway.

Polycystic Ovary Syndrome (PCOS) and Metabolic Dysfunction-Associated Fatty Liver Disease (MAFLD)

Phase II(a) clinical trials to assess the efficacy of the molecule have been completed across multiple sites in the US and Mexico.

Oxemia™ (Desidustat)

The Company launched its second NCE viz. Desidustat in India under the brand name Oxemia™ in 2022. The molecule is indicated for the treatment of anaemia in chronic kidney disease (CKD) patients both on dialysis and not on dialysis. Unlike traditional erythropoietin-stimulating agents (ESAs) that require injections, Desidustat is taken orally, improving patient convenience and compliance. Following are the key updates during the year gone by.

India Market

- To validate and establish the therapeutic effectiveness of the medicine, Phase IV clinical trials viz. DREAM-CKD trials are going on at present in patients with CKD induced anaemia.
- The Company initiated Phase II(a) clinical trials in collaboration with the Indian Council of Medical Research (ICMR) to evaluate the safety and efficacy of the molecule in people with sickle cell disease (SCD).

  The study offers hope to 2 crore individuals affected by SCD in India, with 50,000 children born each year with this disease.

Global Markets

The Company's Chinese licensing partner, China Medical System Holdings Limited (CMS), received acceptance from the Chinese regulatory authority for the New Drug Application (NDA) of the molecule during the year.

Usnoflast (ZYIL1)

The molecule is a novel, oral, small molecule NLRP3 inhibitor, highly potent in human whole blood assays, and capable of suppressing inflammation caused by the NLRP3 inflammasome. At present, Usnoflast is undergoing clinical development for four indications viz. Amyotrophic Lateral Sclerosis (ALS), Ulcerative Colitis (UC), Parkinson's disease, and Cryopyrin-Associated Periodic Syndromes (CAPS). Following are the key updates for these indications:

Amyotrophic Lateral Sclerosis (ALS)

- ALS is a progressive, fatal neurodegenerative disease which affects nerve cells controlling voluntary muscle movement.
- The disease affects ~ 31,000 people in the US, 30,000 in Europe and 75,000 in India.
- The Company completed Phase II(a) clinical trials in India and initiated Phase II(b) trials in the US during the year.
- The molecule has been granted Orphan Drug Designation (ODD) and Fast Track designation by the USFDA for ALS indication, underscoring its potential to address a critical unmet medical need.

Ulcerative Colitis (UC)

- The Company has successfully completed Phase II(a) clinical trials in India.
- The disease affects ~ 5 mn people globally and ~ 1.2 mn people in the US.

Parkinson's Disease (PD)

- The USFDA has granted an approval to initiate Phase II clinical trials.
- ~ 1 mn patients in the US suffer from PD; ~ 90,000 new cases of PD are added each year in the US.

Cryopyrin-Associated Periodic Syndrome (CAPS)

- The Company was the first to establish phase II proof-of-concept of the molecule in CAPS patients.
- Usnoflast holds an Orphan Drug Designation (ODD) from the USFDA for this indication.

Zintrodiazine (ZY19489 – Potential single dose anti-malarial drug)

Malaria remains a major health issue, with millions of cases and thousands of deaths annually, especially among children in endemic regions. Zintrodiazine is being developed in collaboration with Medicines for Malaria Venture (MMV), a global partnership focused on innovative anti-malarial solutions. The molecule is being developed as a strategic initiative to combat malaria, particularly in response to the growing challenge of drug-resistant strains of Plasmodium falciparum and Plasmodium vivax.

It is being developed to offer an alternative to current front-line drugs, addressing resistance to artemisinin-based combination therapies (ACTs). During the year, Zintrodiazine completed Phase II clinical trials for P. falciparum strain. Protocol for Phase III clinical trials was also submitted to DCGI. Phase II trials for P. vivax strain also began during the year.

The USFDA has granted an Orphan Drug Designation (ODD) to Zintrodiazine, recognizing its potential to treat a serious condition with limited treatment options in the US.

Biologics

The Company has been actively expanding its biologics development efforts over the years as it has built one of the most comprehensive and diverse portfolios of biological products. The portfolio consists of 32 molecules (including biosimilars and novel biologics) and spans across multiple therapies such as oncology, autoimmune disease, nephrology, inflammation, rheumatology, hepatology and infectious illnesses. In terms of geographical presence, the Company caters to the patients of India and different emerging market countries and has commercialised 14 products (including one novel biologic) so far. The Company is one of the leading oncology players in India. On the emerging markets front, the Company is expanding its presence in different markets through partnerships with local players who are regional leaders. Building such a diverse portfolio in biotech research reflects the Company's deep commitment to innovation that directly enhances patient care, expands access to life-saving therapies, and improves health outcomes.

An update with respect to the progress made on biotech R&D front during the year for different geographies is given below:

India Market

- Received marketing authorization approval from DCGI for Pertuzumab and Nivolumab biosimilars. Launched Pertuzumab biosimilar under the brand name Sigrima™ during the year.
- Completed clinical development for one product and applied for marketing authorization approval.
- Submitted an application to DCGI seeking its permission to initiate Phase III clinical trials for one of the biosimilars.
- On the novel biologics front, Phase I clinical trials are going on for one of the molecules. The Company received permission from Review Committee on Genetic Manipulation (RCGM) to initiate pre-clinical studies for one of the antibody drug conjugates (ADCs).

Emerging Markets

- Received marketing approvals from the Mexican regulatory authority for two products viz. Bhava™ (Bevacizumab biosimilar) and Mamitra™ (Trastuzumab biosimilar).
- Received marketing authorization for Trastuzumab biosimilar from the regulatory authority of Myanmar, Adalimumab biosimilar from the regulatory authority of Colombia and T-DM1 from the regulatory authority of Bolivia.
- Initiated dossier filing procedure in South Africa, Cuba and Jamaica.
- Received GMP certificate for drug substance manufacturing facility from Eurasian Union.



Vaccines

The Company's initiatives in the area of vaccines research and development are driven by Vaccines Technology Centre (VTC) based out of Ahmedabad. The Centre has developed a number of prophylactic vaccines for infectious diseases. Recently, it has also forayed into vaccines development for certain non-communicable lifestyle diseases. The Centre has the capability to develop vaccines on multiple platforms including live viral, inactivated viral, protein subunit, polysaccharide, polysaccharide-protein conjugate, toxoid, bacterial, and nucleic acid vaccines.

The Company has so far received marketing authorisation for seventeen vaccines which include rabies vaccine, measles containing vaccines, flu vaccines, typhoid vaccines, pentavalent vaccine, and Hepatitis B vaccine. In addition to the above approved vaccines, there are a few vaccines such as Hepatitis A vaccine, Hepatitis E vaccine, MMRV vaccine, and Bivalent Typhoid and Paratyphoid A Conjugate vaccine which are undergoing clinical trials and several vaccines are in pre-clinical stage.

During the year, the Company completed post marketing surveillance study for MR vaccine which was found to be safe and well tolerated. With respect to typhoid conjugate vaccine, a non-interference study with MR vaccine and a lot-to-lot consistency clinical trials were completed. Company is also conducting a non-interference clinical trial between Typhoid Conjugate vaccine and Yellow Fever vaccines and is in process of initiating an effectiveness clinical trial and a trial in malnourished children for the typhoid conjugate vaccine. For rabies vaccine, Company is initiating two Phase IV clinical trials of rabies vaccine to assess its safety and immunogenicity for pre-exposure prophylaxis and post-exposure prophylaxis respectively while for MR vaccine a non-interference study with Yellow fever vaccine is planned in Bangladesh in collaboration with International Centre for Diarrhoeal Disease Research, Bangladesh.

With the support of Gates Foundation, the Company initiated the development of a combination vaccine against shigellosis and typhoid. The Company shall conduct early stage development, animal immunogenicity studies and regulatory pre-clinical toxicology studies for this combination vaccine.

On the novel vaccines development front, the Company completed Phase II clinical trials for Hepatitis E vaccine. The Company also completed Phase I clinical trials for Bivalent typhoid and paratyphoid conjugate vaccine and received the regulatory approval to initiate Phase II clinical trials.

On the global development front, Typhoid Conjugate vaccine viz. ZyVac® TCV received WHO pre-qualification. With this approval, ZyVac® TCV is now eligible for purchase by the UN agencies for global supplies. Rabies vaccine is also pre-qualified by WHO and is also eligible for purchase by the UN agencies.

VTC has collaborated with different academic institutions, industrial partners and funding agencies for different vaccine programs. To name a few, the Company has collaborations with Gates Foundation, US; BIRAC, Department of Biotechnology, GoI; International Centre for Diarrhoeal Disease Research, Bangladesh; iSERA Biologicals, Pune etc.

Vaccine R&D landscape is rapidly evolving driven by technological advancements and the ever-present threat of emerging infectious diseases. The emerging trends which will drive the Company's vaccines R&D going forward are:

- Emergence of diseases like chikungunya and dengue in different regions due to evolution and migration of vectors primarily due to climate change and new pandemic threats
- Combination vaccines on account of advantages such as reduced number of injections and cost, potentially improving vaccine uptake
- Use of plug and play technologies for rapid development of vaccines
- New adjuvants for long lasting immune response and targeting multiple immune pathways
- Development of cancer vaccines based on mRNA platforms which offer high specificity, potential for personalized treatment and relatively rapid development due to plug and play technology
- Novel delivery platforms for painless, fast and effective delivery of the vaccines



Clinical Research Function

Clinical research function is a cornerstone of the Company's commitment to advance medical science and improving patient outcomes. A team of clinical research scientists globally has made significant strides in different therapeutic areas through rigorous clinical trials and innovative research methodologies.

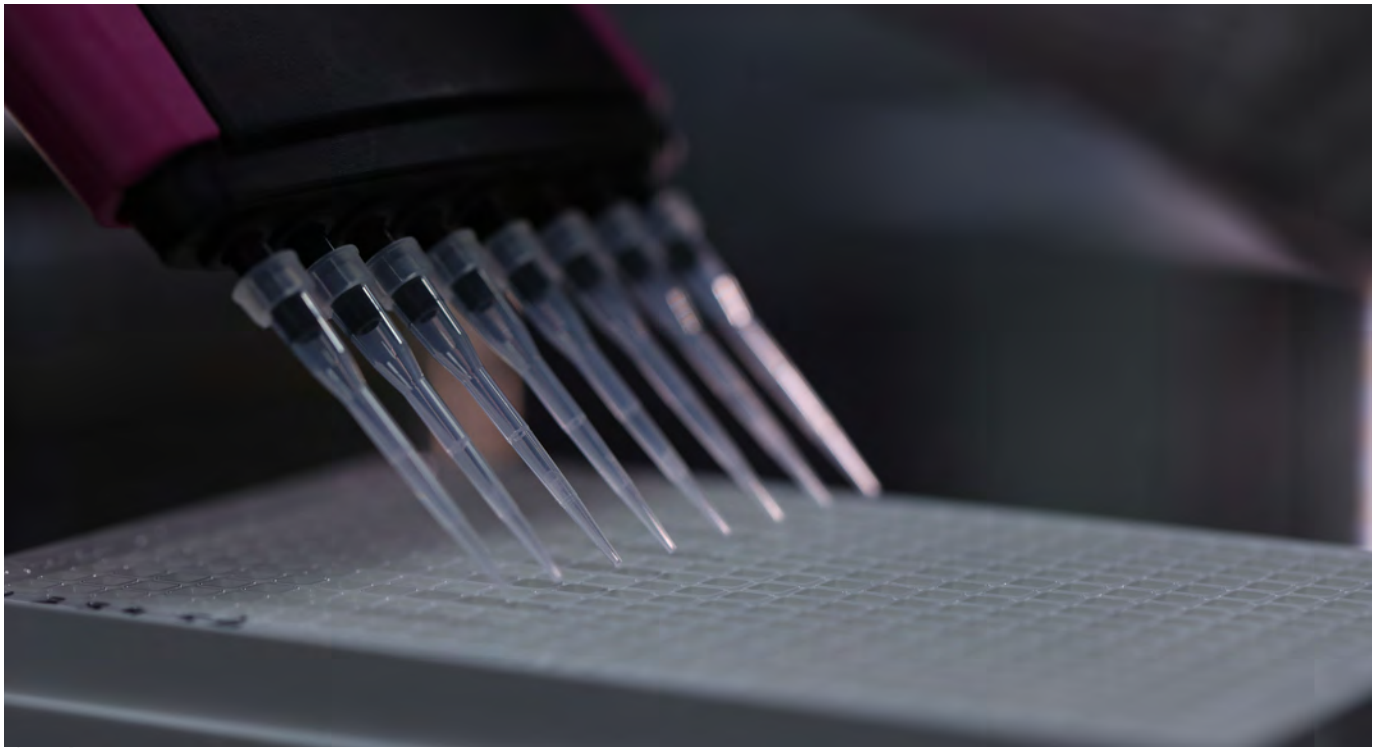
The team has demonstrated exceptional capabilities in conducting trials for NCEs, Biologics, and Vaccines. At present, 26 clinical trials are going on worldwide spanning phase I to IV. During FY2025, the Company initiated 15 clinical trials across 480 study sites, enrolling 4,400 patients. 10 clinical trials were successfully completed during the year.

The Company upholds stringent ethical standards in clinical trials, emphasizing ethical and scientific integrity. The Company's pledge for ethical quality conduct highlights the importance of Good Clinical Practices (GCP), ensuring all data is scientifically sound, authentic, and accurately documented. These standards ensure that the trials are conducted with the utmost respect for participants' rights, safety, and well-being, advancing medical knowledge and improving patient care.

Clinical research team published four research papers in renowned journals, highlighting the commitment to advancing clinical research. These papers cover pharmacokinetics, safety profiles, and novel therapeutic approaches, reflecting the Company's commitment to pushing the boundaries of medical knowledge and improving patient outcomes.

The Company is leveraging digitalization and advanced analytics to enhance drug discovery, optimize clinical trials, and streamline production processes. AI-driven knowledge management systems ensure that the insights from previous studies and trials are readily accessible to researchers and clinicians. Clinical Trial Management System (CTMS) acts as a central repository for all trial-related information, ensuring seamless data integration, real-time monitoring, and compliance with regulatory standards, including the Digital Personal Data Protection Act (DPDP).

During the year FY2025, different in-house training programs focused on global regulatory compliance, cutting-edge techniques, and procedures were conducted. This has significantly enhanced clinical research team's expertise and strengthened the intellectual property. Additional learning and development initiatives included good clinical practice workshop, investigator meetings and subject expert committee meetings.



Specialty and Complex Generics

The Company has been expanding its presence in specialty space through multiple levers to cater to the unmet healthcare needs of the patients globally. The Company has resorted to in-house development, partnerships as well as inorganic moves to build its presence in specialty space.

On an in-house development front, the Company has developed a portfolio of nine products, including three in orphan disease space through 505(b)(2) route for the US market. The focused therapy areas are Metabolic Disorders, Pain Management and Neurology. During the year FY2025, the Company received final approval for the third New Drug Application (NDA) filed through 505(b)(2) route viz. Zituvimet™ XR i.e. Sitagliptin and Metformin Hydrochloride ER tablets in the area of metabolic disorder management. With this approval, all three NDAs of Sitagliptin (base) and combination franchise are now approved.

To complement its in-house development efforts, the Company resorted to licensing route to expand the 505(b)(2) products portfolio in the US. During the year, the Company has entered into licensing agreement with Synthon BV for a novel oncology product. NDA for the product is likely to be filed in CY2026.

The Company is building its presence in the liquid orals space through the acquired LiqMeds portfolio. Liquid orals is a large, growing market and serves unmet healthcare needs. It offers greater convenience and ensures better therapy compliance for geriatric and paediatric patients. The Company has launched eight products in liquid orals space in the US which were filed through 505(b)(2) route. Three such products are awaiting the USFDA approval.

Orphan and ultra-rare diseases is a niche, focused area of the Company's US specialty business. The Company's wholly owned subsidiary Sentynl Therapeutics Inc. drives the Company's operations in the space. The Company has built its presence in this space inorganically as it has made three acquisitions in the space so far.



The table below contains the status of three acquired assets:

Molecule Name	Indication	Current Status
NULIBRY™ (Fosdenopterin) for Injection	Molybdenum Cofactor Deficiency (MoCD) Type A	1) Holds marketing authorization in the US, EU and Great Britain 2) Orphan Drug Designation by USFDA 3) Commercialised in the US 4) Executed exclusive distribution deal for the EU and the UK markets
Zokinvy® (Lonafarnib)	Hutchinson-Gilford Progeria Syndrome	1) Holds marketing authorization in the US, EU, Great Britain and Japan 2) Commercialised in the US 3) Executed exclusive distribution deal for the EU and the UK markets
Zycubo - CUTX 101 (Copper Histidinate Product)	Menkes disease	1) Orphan Drug and Fast-Track Designation by the USFDA 2) NDA accepted for filing and granted priority review by the USFDA

The Company is one of the leading players in the US generics space. Over the years, the Company has built a comprehensive generics products portfolio across dosage forms. The Company is pivoting towards differentiated, value-centric complex generics opportunities in the US to enhance the treatment options for the patients and in turn, drive the future growth. Development of complex generics entails a range of challenges, beginning with the availability of active pharmaceutical ingredients (APIs) and extending through to process scale-up. Despite these hurdles, complex generics represent highly attractive opportunities due to their relatively low competitive intensity. By strategically leveraging such opportunities, the Company can better navigate the ongoing price erosion challenge in the US and ultimately ensure continued access to affordable, high-quality medicines for the patients. With 207 products currently under development and expected to be filed with the USFDA over the next five years, the Company is poised to address a market valued at approximately US$ 170 billion, reinforcing the commitment to meet diverse patient needs across therapeutic areas. Products under development include various drug device products, long-acting injectables, NCE-1/ other FTF opportunities and para IV filings.

The Company is also leveraging the licensing strategy for some of the technically complex products with large opportunity size to expedite the development timelines and promptly supply the products in the market. Till date, the Company has successfully in-licensed 44 products, each aimed at expanding access to essential therapies and addressing unmet patient needs across a market valued at approximately US$ 89 billion (Source: IQVIA MAT February, 2025).



Generics Product Development

The Company's generics development initiatives are spearheaded by three state-of-the-art Pharmaceutical Technology Centres (PTCs) located in Ahmedabad, India. These centres are dedicated to building a strong and diverse product portfolio tailored to the needs of various global markets in a timely, cost efficient, and regulatory compliant manner. Each centre comprises of different clusters focused on meeting the specific demands of individual markets to bring in the desired focused approach. Key markets being served are the US, India and other international markets, including Emerging Markets and Europe.

During the year, in the US, the Company filed 27 ANDAs and received 24 ANDA approvals (incl. 5 tentative approvals). On the international markets front, the Company received first approval in the UK from its own pipeline and launched its first product in Australia.

For the US market, over the years, the Company has moved up the value chain by developing and filing incrementally higher proportion of complex products with a focus on first to file as well as first to market opportunities. For India market, in addition to delivering me too kind of products, the Company has created a pipeline of First-in-India, Day 1 launches and next generation drug delivery platforms across focused therapies to drive the growth going forward. For other international markets, the Company leverages its existing rich pipeline to expedite filings in different countries to support them in expanding their product offerings.

The Company invests in regulatory intelligence and engages early with the regulators via pre-submission and scientific advice meetings to address the challenges associated with ever evolving regulatory expectations. To address the challenge of increasing complexity in portfolio, the Company invests towards building in-house expertise and specialised infrastructure. Also, it has resorted to collaborations with external CDMOs or CMOs for manufacturing scale-up and commercialization. The Company has resorted to dossier harmonization to enable rapid multi-market launches to mitigate the challenge of shorter product lifecycles.

Digitalization is one of the focused themes at PTC. The Company has made significant progress in development of a project management tool "IRIS" for end-to-end visibility of the project starting from product nomination to successful launch of the product. The tool mainly covers two modules viz. new product development and new product launch. New product development phase has been completed while the development is going on for the phase of new product launch. The Company has invested in two Large Language Model (LLM) based platforms to assist with the development activities viz. FormDEM, a tool which provides insights on excipient compatibility and stability prediction in potential formulations and Entvin, which is an online repository of reference product data with AI based updates and report generation features to assist the scientists with preliminary level literature search.



Intellectual Property Governance

Protection and management of Intellectual Property (IP) are integral to the Company's business strategy. Through stringent policies and robust governance frameworks, the Company proactively identifies and safeguards the IP assets, ensuring resilience against breaches and minimizing risks related to infringement. The Company's Code of Business Conduct and Ethics reinforces this commitment by ensuring all employees are well-informed and aligned with the Company's IP protection standards.

The table below contains total no. of patents filed and granted across different areas in FY2025 and over last 5 years:

FY 2025 (Apr 2024 - Mar 2025)	NCE	Biotechnology	Vaccines	NDDS	Medical Technology	Clinical Research	API	Total
Total Patent filed	14	02	04	30	00	19	17	86
Total Patents Granted	25	07	00	07	01	02	06	48

Apr 2020 – Mar 2025	NCE	Biotechnology	Vaccines	NDDS	Medical Technology	Clinical Research	API	Total
Total Patent filed	79	61	05	113	08	60	72	398
Total Patents Granted	35	15	01	35	01	15	36	138



Information Security Management and Protection

In today's digital era, safeguarding sensitive information and ensuring the integrity of cybersecurity systems is of utmost importance. As a global healthcare provider, the Company routinely handles sensitive research data, intellectual property, patient information, and regulatory compliance requirements. It is therefore essential to secure this data and maintain robust systems to defend against potential breaches.

To strengthen digital protection and safeguard the assets, the Company has implemented a robust information security management framework. The information security management policy outlines clear responsibilities and protocols to uphold a resilient information security system. This policy applies to all employees and stakeholders with access to company data. The Chief Information Office, led by the Head of Information Technology, serves as the nodal authority responsible for enforcing these policies at the executive management level. All cybersecurity and data privacy risks are monitored and managed under the Enterprise Risk Management framework.

The Company has established a transparent and structured escalation process for employees to report any suspicious activity or potential threats. As per the Information Security Incident Management Procedure, multiple mechanisms are in place to detect and resolve any anomalies. All incidents and potential risks must be promptly reported to the CISO and the Security Incident Response Team. A dedicated IT helpline (it.helpdesk@zydus.com) is also available for employees to report any concerns.

All employees undergo training on information security and data privacy. This training helps build awareness of secure work practices and highlights the risks and consequences of cybersecurity incidents. In case of any breach involving an employee, a thorough investigation is carried out, and appropriate corrective and disciplinary actions are taken.

To ensure business continuity and safeguard operations, the Company has developed a comprehensive Standard Operating Procedure (SOP) for disaster recovery. Regular mock drills are conducted to evaluate the robustness of the systems and promptly identify any vulnerabilities or threats. In addition, the Company conducts annual third-party assessments and simulated cyberattack red team activity to test system resilience. During the third-party assessment in FY 2025, no significant observations were reported. Moreover, no information security or data privacy breaches affected the Company's operations, workforce, customers, or clients during the reporting period.



Financial Capital

In today's dynamic business environment, characterised by substantial upfront investments in Research and Development (R&D) and capacity building, the Company views challenges such as long development cycles and stringent, ever-evolving regulatory requirements as opportunities for growth and innovation. The complexity of the Company's operations highlights the importance of prudent financial management practices to ensure long-term sustainability, support strategic initiatives and deliver exceptional value to all the stakeholders. By effectively utilising financial resources, the Company not only drives business success but also fulfils its mission of empowering people to live healthier, more fulfilled lives. Various strategic investments in renewable energy, resource efficiency and optimisation, responsible sourcing and waste management have enabled the Company to integrate ESG principles and contribute to the global goal of reducing carbon footprints.

Alignment with SDGs



Performance Highlights

232,415 million*
Revenue from Operations

18,555 million*
R&D Investment

70,585 million*
EBITDA

12,140 million*
Capital Expenditure

24.7%
ROCE

* In INR



Capital Allocation Strategy

The Company's capital allocation decisions are driven by its mission of becoming a global lifesciences company by addressing the diverse needs of patients throughout their journey. Over the years, the Company has adopted a diversified yet measured approach towards capital allocation to grow the business. This approach has helped to build its presence across different geographies with a wide product portfolio of generics, specialty, biosimilars, vaccines, novel products, consumer wellness and animal health products.

The Company follows a disciplined capital allocation approach, guided by criteria including strategic alignment, potential for long-term value creation and overall financial prudence. The Company continually endeavours to strike a balance between sustaining and growing existing businesses, investing in new opportunities and delivering consistent returns to its shareholders.

Each year, the Company invests resources out of internal accruals (as well as borrowed funds whenever required) towards capital expenditures (capex) to fulfil diverse and growing healthcare needs of its customers across the value chain. The capex is incurred essentially towards capacity expansion and modernisation, automation, ensuring cGMP compliance and product quality, building efficiency in operations, supporting R&D operations, gaining competitive advantage and for maintenance of operations.

Over the years, the Company has developed a robust innovation engine to ensure sustained growth and value creation for all the stakeholders. The innovation efforts span across diverse areas, including API Research, generic formulations development, biosimilars and vaccines research, specialty products portfolio, New Chemical Entity (NCE) and New Biological Entity (NBE) space. The Company directs the investments towards building new capabilities, launching new products, entering new therapies, exploring new geographies, offering novel solutions to patients and catering to the patients suffering from orphan and rare diseases. The Company has adopted a measured approach to R&D investment, balancing the needs of its existing businesses with the investments required for future ventures. Each year, the Company invests approximately 7-8% of its revenues on R&D. Of the total spend, approximately two-thirds is dedicated to generic development, while remaining is allocated to NCE, biologics, vaccines and the specialty portfolio.

Inorganic initiatives form a crucial part of the Company's growth strategy and hence the capital allocation philosophy, aiming to acquire new capabilities or expand scale within existing businesses. During FY 2025, the Company acquired a 50% stake in Sterling Biotech Ltd (SBL) from Perfect Day Inc., a Temasek Portfolio Company, to create a 50:50 JV. This JV will establish a state-of-the-art manufacturing facility for producing fermented animal-free protein to serve global markets. The acquisition marked the Company's entry into specialised biotech products focused on health and nutrition, specifically targeting consumers who prefer animal-free protein or experience lactose intolerance. Additionally, the Company announced its plan to enter global Medical Technologies (MedTech) space and entered into a share purchase agreement to acquire a majority stake in Amplitude Surgical SA, France. Amplitude Surgical is a leading European MedTech company engaged in the business of high-quality, lower-limb orthopaedic technologies, including robotic arm.

The Company has established a well-defined mechanism for evaluating various investment proposals. A comprehensive SOP guides the assessment of large capital expenditure proposals, alongside the periodic monitoring of economic benefits once they are operational. On the inorganic front, the Company employs a conservative approach to valuation and undertakes comprehensive evaluation and due diligence of every aspect of a transaction.

Shareholders are integral to the Company's success, providing essential trust and capital to support the growth aspirations. The Company maintains a dividend distribution policy designed to balance the amount of dividend paid with the profits retained within the business for various purposes. According to the policy, 25-30% of the financial year's profit is distributed among shareholders in consultation with the board of directors and in accordance with the guidelines. Additionally, this policy outlines the parameters, the Board of Directors considers when declaring dividends from time to time.

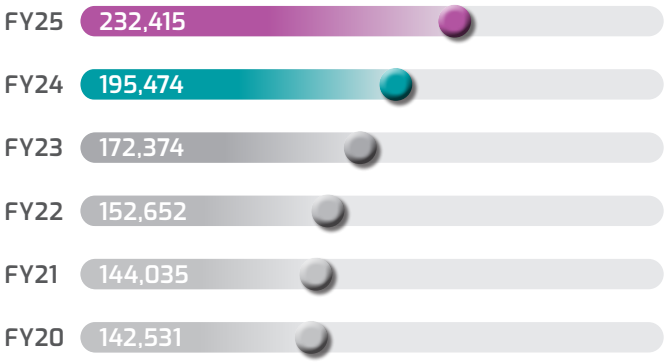


Overview of Financial Performance

Revenue from Operations

Total income from operations during the year grew by 19% to Rs. 232.4 billion from Rs. 195.5 billion last year. All key businesses delivered double-digit growth, driving strong growth on a consolidated basis. Over the past five years, the compounded annual growth rate (CAGR) has been 10%, reflecting consistent progress and long-term stability across the operations.

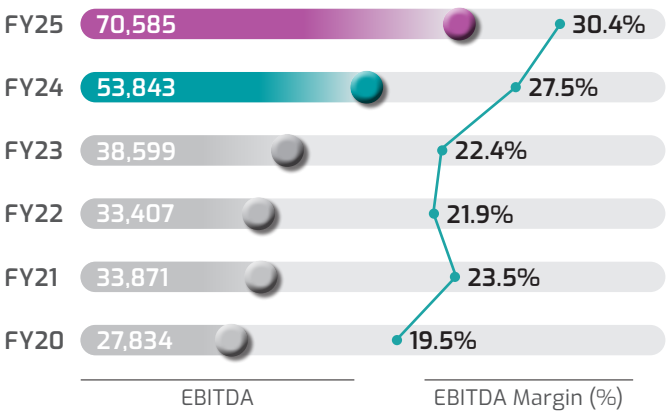
(Rs. mn)



Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

The Company reported its highest ever EBITDA and margin during the year on the back of favourable product mix, improvement in base business and various efficiency enhancement initiatives undertaken across operations. EBITDA during the year grew by 31% to Rs. 70,585 million from Rs. 53,843 million last year. EBITDA margin for the year was 30.4%, an improvement of 290 bps over the previous year. Over the past five years, CAGR stands at 20%, reflecting significant operating leverage in the operations.

(Rs. mn)



Research and Development

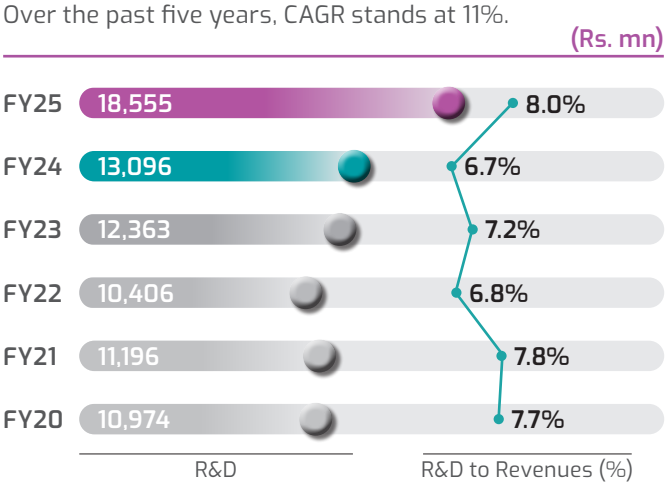
Innovation has been the cornerstone of the Company's success over the years. The Company invests resources optimally to ensure that it continues to evolve as a progressive lifesciences company. Moving forward, the Company remains committed to driving its innovation agenda and reinforcing its dedication to life, aiming to enhance health outcomes for people globally. The Company consistently allocates approximately 7-8% of annual revenues to R&D. This year, total R&D investment reached Rs. 18,555 million, accounting for 8% of revenues, marking a 42% increase from Rs. 13,096 million spent last year.

The significant investment in innovation underscores the Company's meticulous business execution over the years. The Company's commitment to research and development has enabled it to scale and achieve milestones in niche technologies that meet the growing demands of clinical trials. The clinical trial landscape is evolving rapidly, and the Company is committed to delivering groundbreaking performance. The Company has successfully completed the full development cycle of drugs such as Lipaglyn®, Bilypsa®, Oxemia™, and Ujvira™, each creating its own market differentiation from the laboratory to end-users.





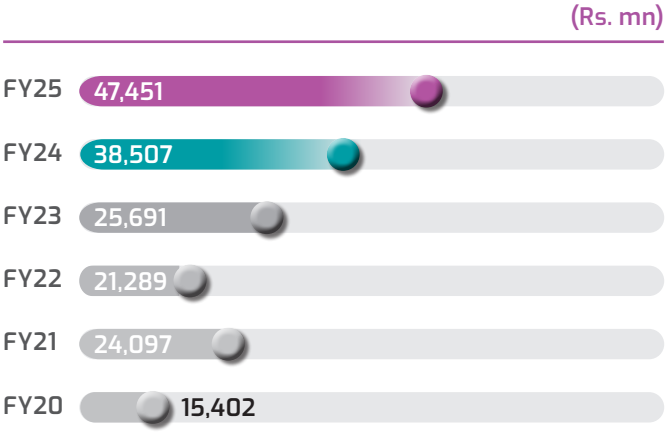
Over the past five years, CAGR stands at 11%.



Profit After Tax

In line with EBITDA performance, the Company achieved the highest-ever net profit this year. After adjusting for exceptional items and profit/(loss) from discontinued operations, net profit for the year was Rs. 47,451 million, representing a 23% increase compared to Rs. 38,507 million last year.

Over the past five years, CAGR stands at 25%.



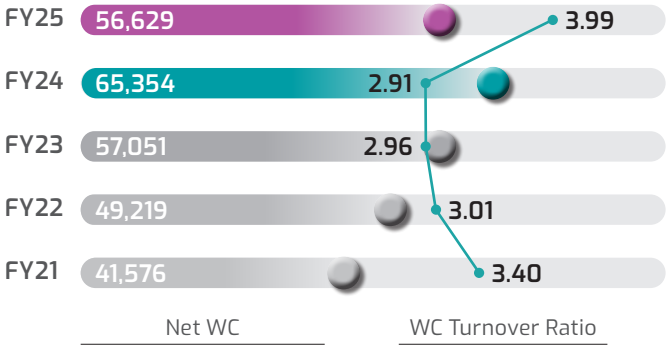
Working Capital and Cash Conversion Cycle

The Company maintained a strong focus on efficient working capital management by implementing strategic measures to optimise inventory, streamline receivables and manage payables effectively.

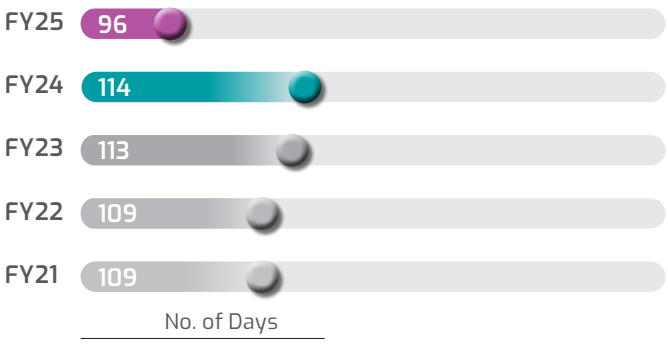
It is committed to strengthening the liquidity position by ensuring timely collection of receivables, mitigating the risk of supply chain disruptions by maintaining adequate inventories of critical raw materials and finished goods and fostering strong relationships with suppliers through effective payables management. FY 2025 recorded the lowest number of working capital days in the past five years.

The Company's robust control over working capital ensures that it can meet customer needs by delivering products across markets promptly.

Net Working Capital and Working Capital (WC) Turnover Ratio



Cash Conversion Cycle



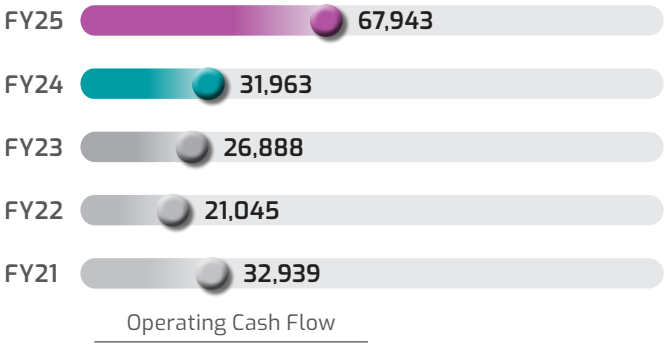
Cash Flow from Operations and Free Cash Flow

The Company's cash flow from operations has consistently increased over the past three years due to sustained growth in operating profitability and effective working capital management.

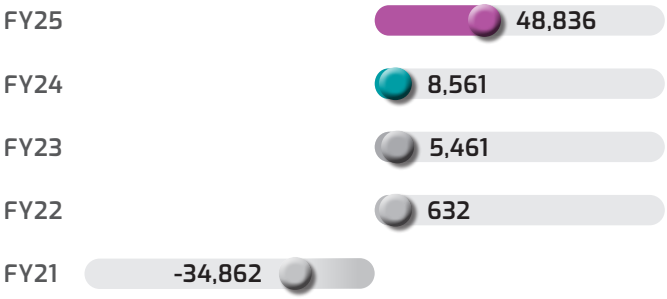
Leverage Ratios

The Company's ability to consistently generate strong cash flow from operations, combined with a measured approach to capital allocation, has enabled it to become a net cash company. As a result, the Company has achieved negative leverage ratios, including negative net debt to equity and negative net debt to EBITDA ratios.

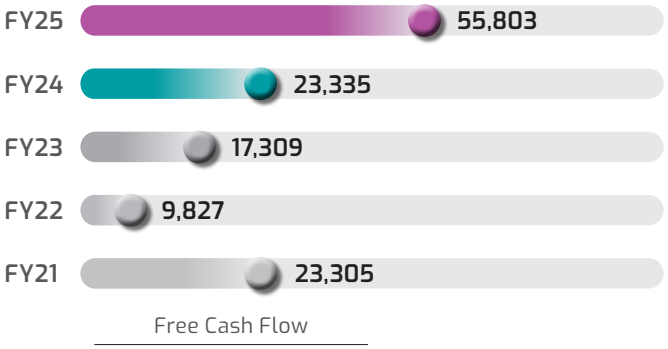
Cash Flow from Operations



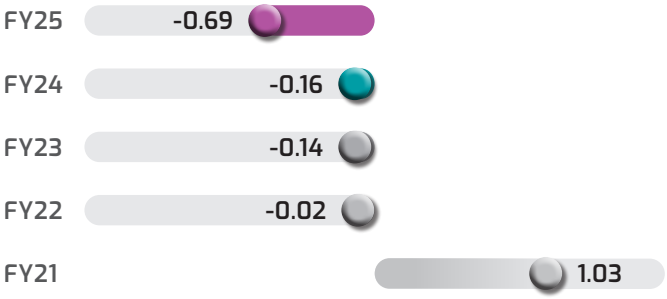
Net Cash



Free Cash Flow



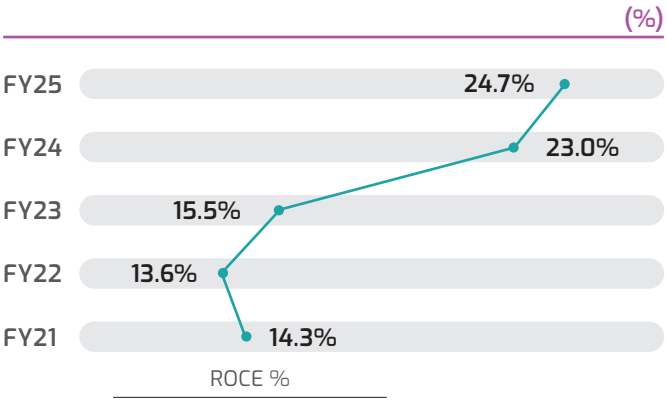
Net Debt to EBITDA



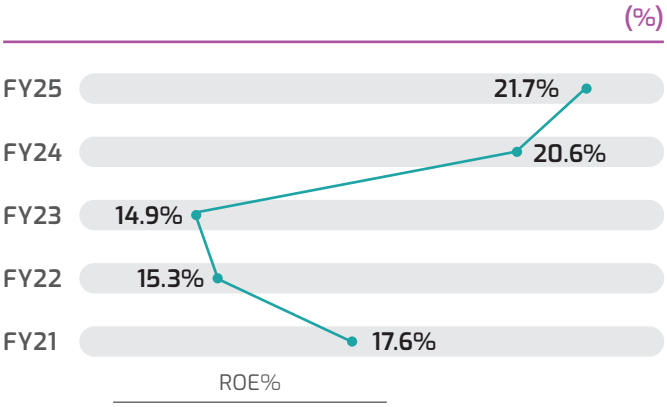
Return Ratios

Return ratios, such as Return on Capital Employed (ROCE) and Return on Equity (ROE), have increased over the past five years, driven by growth across the businesses and enhanced operating profitability. These ratios demonstrate the Company's ability to generate higher returns for shareholders, efficiently allocate capital and sustain profitability.

Return on Capital Employed (ROCE)



Return on Equity (ROE)



Tax Transparency

The Company is firmly committed to upholding the highest standards of corporate governance and recognise its duty to meet tax obligations in all countries where it operates. The Company's management of tax affairs is transparent, reflecting its broader commitment to responsible business conduct and sustainability. The Company's tax strategy is designed to ensure full compliance with applicable laws and deadlines while responsibly managing the tax obligations. The Company places strong emphasis on adhering to transfer pricing regulations and OECD guidelines, maintaining open and accurate reporting to tax authorities. The taxes paid by the Company are a crucial part of its economic and social impact, supporting the development of the countries in which the Company conducts its business.



Manufactured Capital

The Company's robust manufacturing ecosystem is the foundation upon which the Company has built its reputation and trust with its stakeholders over the years. It reflects the Company's commitment to quality, innovation, and global scalability. For Zydus, manufacturing is not merely a process, it is a strategic capability to deliver safe, effective, and affordable medicines to its customers across the globe. The Company's steadfast dedication to manufacturing excellence forms the cornerstone of its journey towards delivering superior healthcare solutions. With a focus on enhancing operational efficiencies, ensuring product quality and regulatory compliance, the Company is committed to fulfil the ever increasing and diverse healthcare needs of its patients in its quest of becoming a global lifesciences company.

The Company continues to make significant investments to boost its manufacturing infrastructure to explore new avenues to enable portfolio expansion and implement efficiency and automation technologies to continue on the path towards advanced manufacturing practices. The Company has progressed further in advancing its sustainability objectives through the systematic integration of environmentally conscious manufacturing practices across its facilities. This initiative serves to reinforce the organization's unwavering commitment to responsible and sustainable development.



World-Class Manufacturing Capabilities

The Company operates a network of 39 manufacturing facilities globally, with a significant concentration of its operations based in India. 16 out of 39 facilities are USFDA inspected. The Company has the capability to manufacture diverse dosage forms such as oral solids, injectables, nasals, topicals, transdermal patches, biologics including recombinant peptides and proteins, pegylated proteins, monoclonal antibodies and antibody drug conjugates (ADCs), vaccines products, medical devices, animal healthcare and consumer wellness products. These facilities operate in strict compliance with the highest national and international standards, thereby ensuring the consistent quality, safety, and efficacy of the Company's products. By ensuring the access and affordability of its products, the Company is committed to empowering people with the freedom to live healthier and more fulfilled lives.

Vertical-wise bifurcation of manufacturing sites

Business Vertical	Number of Manufacturing Sites
Small Molecules	19
API	6
Biological products	3
Vaccines	5
Consumer Wellness	4
Animal Health	1
Medical Devices	1

Installed manufacturing capacity

Dosage Forms	Units	Capacity
Oral solid	Mn pills	41,760
Injectable	Mn units	346.4
Liquid Pouch	Mn pouches	72
Topicals	Mn tubes	54.5
Vaccines	Mn doses	66.5
Nasal (including MDI)	Mn units	7.8
Transdermal patches	Mn patches	0.3
API	KL	1,728



Manufacturing Optimizations

Operational optimizations play a crucial role in pharmaceutical manufacturing for enhancing efficiency, reducing costs, and improving throughput without compromising product quality. The Company remains committed to continuous operational enhancement, ensuring the delivery of best-in-class products in an accessible and affordable manner. By streamlining workflows, optimizing resource allocation, and enhancing equipment utilization, the Company has achieved faster production cycles and meets market demands more effectively. Noted below are some of the steps the Company has taken to improve its operations:

- Increase in batch size to the plant's maximum capacity to optimize resource utilization. This led to enhanced production efficiency, reduced downtime, and higher output.
- Reduction in equipment cycle time resulting in increased throughput, improved equipment utilization, and faster product turnaround. This optimization enhanced production efficiency, reduced energy consumption, and ensured timely delivery of products.
- Significant improvement in throughput by leveraging the concept of Compression Index wherein machine outputs are measured based on the validated speed vs the rated speed by the Original Equipment Manufacturer for each product on a compression machine. Products based on low compression index were identified on multiple compression machines and revalidated with increased RPM.
- Substantial reduction in top machine alarms across sites through deployment of IIOT sensors and implementation of key corrective actions.
- False rejection rates in the visual inspection and leak testing machine were reduced by 5%, leading to improved accuracy, minimized product wastage, and enhanced yield. This optimization resulted in higher operational efficiency, cost savings, and better product availability.
- Installation of a check-weighing system on certain packaging lines, deployment of a labelling machine, and interlinking of blister and cartoning machines and the introduction of a dedicated vial packing line – all resulting into enhanced operational efficiencies.
- Increase in shelf lives of certain vaccine products through stability studies.
- Yield improvement in vaccines manufacturing through process improvement.
- Increase in drug substance output without incurring any capital expenditure through equipment reorganization and repurposing and through effective use of 'Y' scheduling and agile planning.



Process Innovations

At Zydus, the teams across manufacturing sites are committed to improving manufacturing processes. These initiatives are designed to enhance operational efficiency by improving yields, elevating productivity, ensuring consistent product quality, and minimizing cycle times. In parallel, they contribute to cost-effectiveness and reinforce the Company's commitment to full compliance with global regulatory standards. Through these sustained efforts, the Company remains committed to deliver high-quality, affordable medicines to patients across the globe. Some of the process innovation initiatives are highlighted below:

The Company has implemented measures to ensure waste reduction and promote recycling by optimizing manufacturing process to reduce overall waste generation and ensure proper disposal of pharmaceutical products.





The Company has invested in energy-efficient technologies and practices which lower energy consumption across operations.

The Company has successfully completed process qualification for three products in continuous coater at one of its high volume USFDA inspected sites.





The Company has successfully tested a Multi-Unit Particulate System (MUPS) product on a continuous blender, eliminating several batch processing steps and improving compression speed. This reduces cycle time, improves content uniformity, and minimizes quality issues. The blender is currently being installed at one of the USFDA inspected sites.

Manufacturing Excellence Initiatives

Teardown Performance Overview

A teardown exercise is a structured and systematic approach to disassembling equipment or machinery to gain a deep understanding of its internal components, sub-assemblies, and overall functionality. This process serves as a form of reverse engineering, conducted in the presence of equipment experts, intending to understand how each part operates and contributes to the equipment's performance. It enables teams to visualize the complete process flow and identify potential areas for improvement.

Benefits of teardown exercise

Build technical capability among shop floor teams, including operators, technicians, and engineers





Work towards zero alarms & breakdowns and ensure uninterrupted operations

Restore equipment to its original, optimal operating condition



This teardown methodology not only enhances technical understanding but also fosters a culture of ownership, precision, and continuous improvement on the shop floor.

Major Achievements

- Teardown exercise executed at **45+** equipment and packing lines with OEMs
- **800+** shop floor team members trained in equipment operations and troubleshooting
- **60+** CLTI (Cleaning, Lubrication, Tightening, Inspection) check sheets LIVE on packing lines and manufacturing equipment
- In packing line, **95%** reduction in top 5 alarms
- Breakdown reduction observed in **20+** equipment of manufacturing and packing lines
- Alarm reduction in **15+** machines (includes manufacturing machines and packing lines)



Building Capacities – New Manufacturing Facilities Overview

The Company is committed to deliver high quality, affordable medicines to the patients by leveraging the best contemporary technology and process improvements. The Company continues to invest resources in building capacities for the future to meet ever increasing healthcare needs of the patients.

During the year, the Company commenced commercial operations at a newly constructed oral solid dosage formulations manufacturing site located in Ahmedabad SEZ (known as SEZ Unit II site). The site received "Facility of the Year- FOYA 2024" award by International Society for Pharmaceutical Engineering (ISPE) for process innovation, automation to scale up and turn-around times.

Salient features of SEZ Unit II site

The facility is dedicated to the US market and built on the concepts of agility and economies of scale.
By implementing new technologies, the site has achieved throughput improvement by reduction in drying time by ~40%. Compression throughput improved by ~160% and coating output improved by ~ 850 % using continuous coater.

The facility has 2 blocks viz. small volume block and large volume block. Small volume block is designed for speed and agility for small volumes. Large volume block is designed to achieve economies of scale for large volumes. The large volume block is uniquely designed with a unidirectional vertical flow, comprising four floors with the capacity to produce 6 billion units per year. It is equipped for high-volume production with large-scale machinery, including a state-of-the-art German integrated granulation line, an 18 kl mega blender and a continuous coater, which has a throughput of 1,200 kgs per hour.

Biologics Drug Substance (DS) manufacturing facility

The Company is one of the leading players in India in the biosimilars space. The commercialized portfolio of the Company in India comprises of 14 products (incl. 1 novel biologics). The Company is gradually expanding its presence in different emerging market countries. Considering the increasing presence, the Company has been investing towards establishment of drug substance facilities. At present, the Company is working towards establishing a new biologics drug substance manufacturing facility viz. Biologics Unit III to manufacture monoclonal antibodies to serve the patients in India and different emerging markets countries.



SEZ Unit III site – Reshaping the pharma manufacturing by embracing digital innovation and state-of-the-art technology

The upcoming oral solid dosage formulations manufacturing plant (known as SEZ Unit III site) is intended to be a next generation plant, integrated with digitalization, robotics and highly automated facilities. This plant is the reflection of the Company's dedication to innovation, operational excellence, and sustainability, meeting regulatory requirements with the highest quality standards. It will set as an exemplar in the industry designed to support a zero-touch operation through seamless automation and vertical integration. The concepts which will be embedded in this plant are:

The dark factory concept – A highly automated set-up where manufacturing can happen with minimal human intervention

Driving innovation through automation – Real-time monitoring and control ensuring consistent product quality and process efficiency, intelligent and data driven manufacturing

Dock-to-dock automation - A fully integrated automated system allowing smooth material movement from the receipt of raw materials to the dispatch of finished products

Precision in motion - Autonomous Mobile Robots (AMRs) will handle internal logistics, ensuring materials are transferred accurately, on time, and without contamination

Sustainable Manufacturing

Sustainable manufacturing practices are integral to the ethos and long-term vision of the Company. By minimizing environmental impact through efficient resource utilization, waste reduction, and climate risk mitigation, the Company not only aligns itself with global sustainability objectives but also enhances its operational resilience in an ever-changing climatic future. Furthermore, embracing sustainable processes reinforces the Company's commitment to social responsibility, fostering trust and goodwill among stakeholders, including patients, regulatory bodies, and investors.

In this era of heightened environmental consciousness, sustainable manufacturing serves both as a strategic imperative and a moral obligation, ensuring that the Company remains at the forefront of innovation and compliance while safeguarding planetary health. To bolster this commitment, ~80% of manufacturing sites got certified with ISO 14001 (Environment Management System) and ISO 45001 (Occupational Health and Safety). The Company aims to attain the ISO 50001 (Energy Management System) certification starting from FY2026.

Some of the major steps taken to further the sustainability imperative are mentioned below:

Improvement in energy efficiency and reduction in GHG emissions

Key measures implemented

- Installation of energy monitoring software to replace manual meter reading, with real-time data collection and visualization, improving accuracy and providing immediate anomaly notifications.
- Focused efforts on adoption of new technology equipment in alignment with Company's energy policy, i.e. energy efficient motors, heat pumps, energy efficient chillers etc. to reduce energy consumption.
- Increase in renewable energy quotient of the total energy mix thus making manufacturing greener and more sustainable.
- Optimizing the energy consumption by doing process modifications /improvements across manufacturing units thereby reducing GHG emissions.

Reduction in water intensity

Key measures implemented

- Reuse of Air Handling Unit (AHU) condensate, Chemical Sanitizable Reverse Osmosis (CSRO)/ Heat Sanitizable Reverse Osmosis (HSRO) reject, and filtered water, along with replacing borewell water with surface water to extend the lifespan of RO membranes and chiller tubes.
- Increase in recycling and reuse of water to reduce relying on freshwater intake.

Waste Management

Key measures implemented

- Waste reduction and recycling by optimizing manufacturing and ensuring proper disposal of pharmaceutical products.
- Better waste disposal management through environment friendly avenues of co-processing and pre-processing.

Digital systems for improving efficiency

Key measures implemented

- Digital systems such as KINAXIS have been installed to track and monitor raw material and intermediate supplies, facilitating inventory optimization and ensuring accountability for resource efficiency.



Product Quality

At Zydus, "Quality is a way of Life." The Company is fully committed to developing, manufacturing, and delivering products that consistently meet and exceed the highest national and international quality standards. Every product and process adheres to current Good Manufacturing Practices (cGMP), reflecting continued focus on regulatory compliance and operational excellence. The Company's quality philosophy is anchored in a culture of continuous improvement, ensuring that expectations are not only met but surpassed, creating enduring value and enhancing satisfaction for patients and stakeholders alike.

Commitment to Quality Culture

The Company believes that quality culture is not just about systems and procedures, it is about people. Culture is shaped by the shared beliefs, values, attitudes, and behavior of an organization. A robust quality culture aligns business goals with customer needs and regulatory expectations, creating a unified drive towards excellence. The Company embraces this ethos by ensuring that quality is everyone's responsibility—from leadership to the shop floor. Commitment to quality is not a one-time initiative but a sustained journey that is reinforced through structured cultural transformation programs.

The key driver of this journey is the QUEST (Quality Excellence by Sustainable Transformation) program which is an organization-wide initiative rolled out across all manufacturing sites. QUEST embodies people-centric approach, encouraging proactive engagement and a performance-driven mindset. Through such initiatives, the Company continues to nurture a resilient quality culture that ensures consistent delivery of safe, effective, and high-quality medicines to patients worldwide.

QUEST
Quality Excellence by Sustainable Transformation
Dedicated to Quality & You

Building A Robust Quality Culture Across Organization

From Top-team To Operators

Quality Risk Management (QRM)

Quality Risk Management (QRM) is a cornerstone of the Company's quality assurance strategy, ensuring proactive, science-based decision-making throughout the product lifecycle. The QRM framework is fully aligned with International Council for Harmonization (ICH) Q9 guidelines and is designed to uphold product quality, regulatory compliance and above all, patient safety.

Key aspects of QRM at Zydus

- **Integrated Across Functions:** QRM principles are applied across all critical operations, including manufacturing, laboratories, packaging, supplier qualification, and quality systems to ensure a unified risk-based approach.
- **Structured Process:** Each QRM initiative follows a systematic process of risk identification, analysis, evaluation, control, communication, and ongoing review.
- **Tool-Based Approach:** The Company deploys both basic tools (e.g. flowcharts, fishbone diagrams) and advanced methodologies (e.g. Failure Modes and Effects Analysis (FMEA), Hazard and Operability Study (HAZOP), Hazard Analysis and Critical Control Points (HACCP)), selecting the appropriate tools based on the complexity and criticality of the risk.



Digital Lab: Elevating Analytical Excellence

The Company has established state-of-the-art digital quality control (QC) laboratories across all manufacturing sites, reinforcing the commitment to operational excellence and data integrity. These laboratories are equipped with advanced analytical instruments like HPLC, GC, LCMS, GCMS, UV, IR, and Particle Size Analyzers, ensuring precision and reliability in testing. The digital QC framework enhances efficiency, reduces human error, and supports real-time audit readiness.

All analyses are executed by qualified analysts as per approved procedures, with data captured in an integrated Laboratory Information Management System (LIMS) to ensure traceability and resource optimization. A robust two-tier review process by QC and QA departments ensures accuracy and compliance before batch release, underscoring the quality-first approach.

Strengthening Quality Through Structured Management Reviews

Structured management reviews are a cornerstone of the Company's robust quality governance framework. These reviews enable leadership to proactively identify emerging issues, implement targeted corrective actions, and drive continuous improvement across the organization. By leveraging data-driven insights and predictive quality metrics, the Company addresses potential challenges before they impact product quality or operational efficiency. The Company follows a multi-tiered management review structure, ensuring oversight at every level of the organization. These reviews ensure the quality system remains suitable, adequate, and effective, meeting both regulatory and organizational expectations. Focus areas of the reviews are:

- **Quality** trend analysis
- **Audit and assessment** outcomes
- **Customer** complaints
- **Review** of quality metrics
- **CAPA** status and effectiveness

Regulatory Compliance

At Zydus, regulatory compliance is not just a mandate, it is a mindset. The Company is deeply committed to align with global regulatory standards across all markets where it operates. This continued focus on regulatory excellence is driven by robust internal audit mechanisms, continuous training, and proactive engagement with regulatory authorities, ensuring that the Company remains a trusted and compliant partner in delivering safe, high-quality medicines globally.

Here is the summary of USFDA inspections conducted at different manufacturing sites in last 2 years.

Inspections	FY2024	FY2025	Target
No. of USFDA audits	06	06	All audits shall have VAI/NAI status by FY2026
No. of observations received	10	12	
USFDA Inspection Warning Letters	Nil	01 (Jarod Site)	

Internal Inspections

Inspections	FY2024	FY2025	Target
Corporate Internal Audit at Zydus manufacturing sites (sites catering to the US market)	40	42	Zero critical observations
Total supplier quality audits (Raw Materials) for all markets	265	377	Zero overdue

Product recalls summary with the USFDA

Type of recall	FY2024	FY2025	Target
Class I	0	0	Zero Class I recalls
Class II/III	10	25	

* Class I recall is issued when there is a reasonable probability that the use of or exposure to a violative product will cause serious adverse health consequences or death. Class II recall is issued when use of or exposure to a violative product may cause temporary or medically reversible adverse health consequences, or when the probability of serious adverse health consequences is remote. Class III recall is issued when use of or exposure to a violative product is not likely to cause adverse health consequences.

Safeguarding Patients from Counterfeit Medicines

Protecting patients from counterfeit medicines is integral to the Company's commitment to product integrity, quality, and safety. As counterfeit drugs continue to threaten global healthcare systems, the Company has adopted a proactive, technology-driven approach to ensure the authenticity and traceability of every product it supplies.

Anti-counterfeit strategy includes the use of tamper-evident packaging, unique product identifiers and QR codes that enable real-time product verification by stakeholders across the supply chain, from distributors to end-users. These features empower patients and partners to confirm authenticity with ease and confidence.

Pharmacovigilance System and patient safety

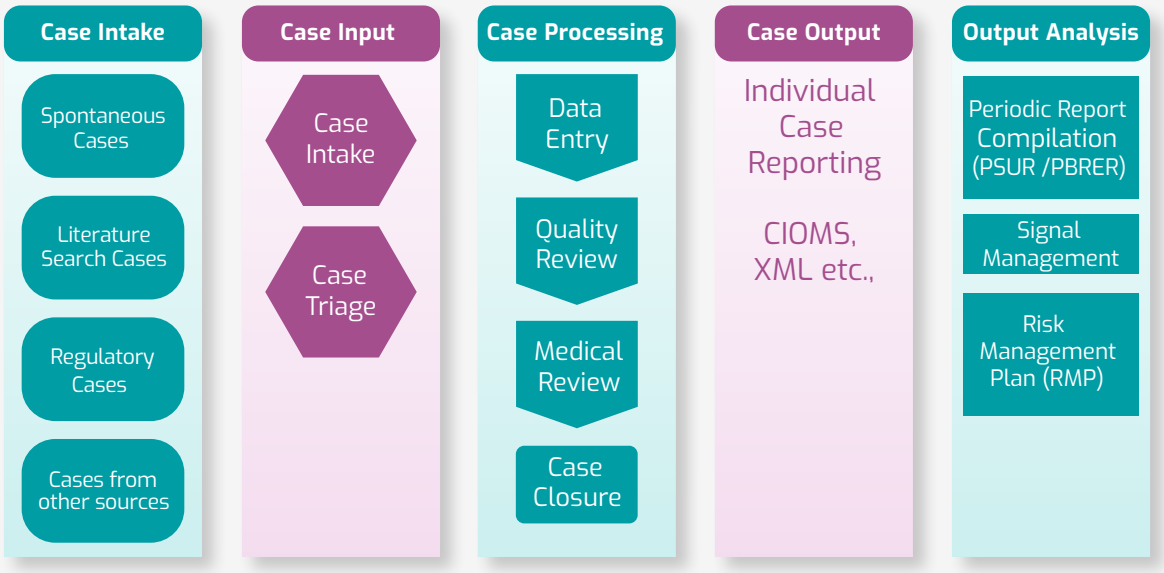
The Company has established a robust Pharmacovigilance (PV) system to monitor, evaluate and manage adverse drug reactions, reinforcing its commitment to patient safety across the globe. To collect adverse event (AE) information, the Company employs multiple channels including toll-free helplines, a dedicated drug safety email, social media platforms, and the online adverse event reporting system (AERS). These platforms ensure easy access for patients and healthcare professionals to report concerns and receive timely responses.

The Pharmacovigilance team assesses and processes each report. AEs are tracked using the safety database, which ensures compliance with international regulatory standards. The system flags urgent cases and helps meet stringent reporting timelines efficiently. All valid reports are submitted to relevant regulatory authorities in specified formats and timelines. This ensures that any emerging risks are identified early and, where necessary, reflected in product leaflets or package inserts, thereby promoting transparency and patient awareness.

The Company also operates a medical information contact center and maintains a strong global PV infrastructure, aligned with local regulatory expectations across all markets. Through this, the Company fulfills pharmacovigilance obligations for each region it operates in.

To maintain excellence in compliance, pharmacovigilance training is systematically conducted for relevant teams. A training matrix is prepared annually to define learning needs, and a structured schedule ensures timely delivery of sessions throughout the year. All training activities are governed by defined Standard Operating Procedures (SOPs).

Pharmacovigilance System Process Flow (Handling of Safety Data)



Automation and Digitization

As artificial intelligence, automation and digitization reshape the manufacturing landscape, the Company remains committed to embrace different measures in this space. By harnessing advanced technologies and embedding sustainable practices, the Company strives to lead with agility, drive operational excellence, and shape the future of manufacturing. Some of the key initiatives undertaken in the area of automation and digitalization during the year are described below:

Electronic Logbook

The software is designed to streamline operations by reducing manual paperwork, minimizing Good Documentation Practice (GDP) errors, and centralizing the data repository for all log entries. It supports RFID-based equipment identification, seamless integration with various applications, and provides advanced analytics for alarm trends and Overall Equipment Effectiveness (OEE). Additionally, it enables efficient retrieval and management of digital logbook data.

Data Analytics Software

The software is designed to implement a real-time data analytics dashboard through seamless integration with various software systems, thereby eliminating the need for manual intervention. It helps reduce human efforts and errors, providing quick and clear insights.

Paperless Computer System Validation Lifecycle, Validator

It helps to effectively track projects for the software lifecycle, enforce validation standards, policies, and procedures, maintain consistency in documentation, automate document preparation, and auto-route for review and approval, ensuring documents are available on time.

Paperless checklist- Digital Work Instruction

Implementation of paperless cleaning, line clearance of equipment, area cleaning checklists and packing setup sheets in manufacturing and packing thereby, providing operational ease.

Paperless cleaning validation

The aim is to streamline and automate cleaning validation processes by maintaining the highest standards of quality and compliance.

Training Management System, ZyTIMS

Creation of paperless workflows in ZyTIMS, eliminating the need for maintaining manual paper copies. It automatically notifies the concerned persons for better tracking.

Robotic Process Automation

Automation of high-volume, repetitive tasks with minimal or no manual intervention. By employing virtual bots, business processes can be automated, allowing tasks to be completed more rapidly and consistently than by human efforts.

Utility Sample Traceability through RFID, MODA

The objective of this is to read the individual location RFID for label printing before sampling on the sampling point places.

Artwork Management System, ZyArts

Simplification of India formulations market artwork workflow wherein approval is needed only when package insert is changed.

Energy Monitoring

Implementation of advanced energy monitoring system across all sites to automate the collection and analysis of energy consumption data, replacing the current manual and error-prone methods.

Machine Integration Dashboard, Factorian

Automated data integration with manufacturing equipment was implemented, enabling real-time dashboards for CPP trending, alarm analysis, golden batch comparison, and batch-to-batch performance monitoring to enhance process visibility and operational efficiency.

Data Analytics Factory Dashboard

The system enables continuous monitoring and enhancement of quality, safety, delivery, engineering processes, financial performance, productivity, and human resources by tracking and analyzing key performance indicators (KPIs) across the critical domains.

Smart QC Dashboards

The solution offers real-time visibility into QC instrument status, enabling effective planning for upcoming analyses and providing alerts for interrupted sequences. It features comprehensive, site-wise dashboards that support holistic reviews and performance comparisons. This facilitates improved decision-making in future instrument procurement, enhances shift planning efficiency, and aids in thorough assessment of instrument breakdowns.

Training and Development

Building people's capability is central to the Company's approach. Comprehensive training programs such as Knowledge Torch, Data Integrity awareness, and training on quality procedures is designed to equip employees with skills in Good Manufacturing Practices (GMP) and innovative technologies. Regular sessions focus on process excellence and productivity enhancement, empowering employees to deliver consistent and high-quality outcomes.

One of the key focus areas for employee training are related to quality management. A cornerstone to continued success, the Company undertakes the following extensive trainings for the manufacturing teams concerning quality management:

Good Manufacturing Practices (GMP) and Good Laboratory Practices (GLP): Mandatory for all shopfloor and quality personnel.

Data Integrity and ALCOA+ Principles: Reinforced through e-learning, workshops, and assessments.

Onboarding Programs: Focused on quality culture and regulatory compliance from day one.

Role-Based Training: Customized modules for operators, supervisors, managers, and auditors, based on their function and level of responsibility.

Annual or refresher training for the subjects used on a day-to-day basis.

Shop Floor 4.0

The Company has introduced a comprehensive system viz. 'Shop Floor 4.0' at certain formulations manufacturing sites to enhance the skill set of operators and make them ready to take up certain jobs of supervisors, thereby releasing the bandwidth of supervisors to do other value-added jobs/ activities. So far, 84% of the operators have passed this exercise.

Engineering Capability Development Center

To build a future-ready and technically proficient engineering workforce, a structured capability development framework has been implemented. This approach focuses on role-based skill identification, simulation-based assessments, and targeted development plans to elevate team performance and equipment reliability.



Role-Based Skill Identification

- Defined core skill sets and competencies required for different engineering roles, ensuring alignment with operational needs and equipment complexity

Assessment Results & Certification

- Based on assessment outcomes, engineers are awarded skill certifications
- A capability scorecard is generated to reflect the current competency level of the engineering team

Simulation-Based Engineer Assessment

- Engineers undergo simulation-based evaluations focused on Preventive Maintenance (PM) execution and Equipment-specific breakdown scenarios
- This enables real-time assessment of technical decision-making and troubleshooting capabilities

Development Plan Deployment

- Customized development plans are rolled out based on skill gaps:
  - » For Operators: Focus on basic engineering concepts to enhance cross-functional understanding
  - » For Engineers: Emphasis on process learning and advanced troubleshooting

This structured approach ensures continuous capability enhancement, fosters a culture of technical excellence, and supports the long-term goal of achieving zero breakdowns and high equipment reliability.



Human Capital

Human Capital forms the foundation of the Company's operational and financial success. It lies at the heart of Company's commitment towards advancing positive public health outcomes for all stakeholders. Zydus is committed to creating a committed workforce who thrive in an inclusive and exceptional working environment.[1] As a people centric organisation, the central approach to management of human capital is based on principles of ethics, inclusivity and diversity and wellbeing. The Company's endeavour is to build a proactive skill-based workforce, a necessary asset to achieve its ambition of sustainable value creation.

Performance Highlights: FY2025

8%
Women Employees in Total Workforce

34
Average Training Hours per employee

NIL
Fatalities



[1]GRI 3-3

Global Workforce

Zydus' workforce is the driving force behind its innovation and success in the fast- evolving pharmaceutical landscape. From innovation, where skilled scientists pioneer new therapies, to manufacturing and quality control, ensuring product safety and efficacy, every employee plays a crucial role. The Company's global reach necessitates a diverse and adaptable workforce capable of navigating international markets and regulatory landscapes. Moreover, a strong sales and marketing team is essential for ensuring patients' access to Zydus' products and driving revenue growth. Ultimately, the dedication and expertise of Zydus' employees across all functions are integral to the company's continued innovation, growth, and positive impact on global health. The total workforce stands out to be more than 27,000 employees out of which 83% are permanent employees and 17% are permanent workers.

The table below provides details on the Company's global workforce as of 31st March 2025.[2]



Employee category	By Age Group						Total
	<30 years		30-50 years		>50 years		
	Male	Female	Male	Female	Male	Female	
Top Management (All Management Council Members)	8	1	421	36	259	17	742
Senior Management	7	3	876	75	133	14	1,108
Middle Management	317	119	5,246	313	292	36	6,323
Junior Management	5,724	699	6,445	380	374	83	13,705
Associates/ Non-management (Workmen)	2,680	210	2,438	103	319	42	5,792
Contract employees	-	-	2,693	620	-	-	3,313
Disabled employees	-	-	19	1	-	-	20

[2]GRI 2-7 and 2-8

Talent Attraction and Retention

Zydus is proud to be an equal opportunity employer. The Company's approach to hiring is driven by principles of merit and suitability. The Company has designed a program viz. "Institute to Industry" to hire fresh graduates and post-graduates from reputed institutes who are rigorously screened and selected to join the Zydus talent ecosystem. They are provided end-to-end orientation and extensive coaching to ensure a smooth transition from college to professional life. Additionally, employees are also provided with on-the-job training and mentoring to equip them for a well-defined career in the pharmaceutical manufacturing industry. Zydus also recruits talented professional through campus placements for specialised roles. The total new hires for the reporting year were 8,745, recording an overall new hire rate of 31%.



The table below provides details of new hires for FY 2024-25 by age & gender[3]

New Hires and Turnover

Details	<30 Years		30-50 Years		>50 Years		Total
	Male	Female	Male	Female	Male	Female	
New Hiring	4,879	408	2,860	226	84	18	8,475
Employee Turnover[4]	3,102	190	2,853	207	106	26	6,484

Along with hiring, employee retention is a key component of the Company's approach to human capital management. Focused efforts are made to ensure talent retention by providing them with an inclusive and holistic working environment. The Company strives to achieve low employee turnover rates in order to promote stronger team dynamics and collaboration, which are essential for driving innovation and growth. Through various employee focused initiatives including dedicated learning management programs, proactive diversity, equality and inclusivity efforts, volunteering initiatives, employee support initiatives, etc., Zydus prioritises employee satisfaction and minimises turnover to achieve sustained growth, enhance the competitive edge, and foster a culture of excellence that aligns with its strategic goals. The employee turnover rate for the reporting year was 24%.

Particulars	Male	Female	<30 years	30-50 years	>50 years	Overall
Number of employees left	6061	423	3292	3060	132	**6484**
Turnover rate	25%	21%	38%	19%	8%	**24%**

[3]GRI 401-1
[4]GRI 405-1

Diversity, Equality and Inclusion

The Company is dedicated to cultivating an inclusive and diverse workplace environment that honours and appreciates the uniqueness of each individual employee. Zydus recognises that a workforce rich in varied backgrounds, perspectives, and experiences is essential for sparking innovation, creativity, and growth. In line with this dedication, the Company is committed to establishing an equitable workplace that provides fair opportunities and upholds respect for everyone, regardless of gender, race, ethnicity, sexual orientation, religion, age or disability. Zydus' goal is to empower every individual to achieve their full potential. The Company has also set a target to achieve 12% female representation across its global workforce by 2028.

Zydus implements focused initiatives to develop a diverse workforce and provide them with an inclusive and enabling working environment. Focused programmes such as WINGS (Women in Leadership Development Program), the "Women Who Inspires" series and "VOICE Pulse Surveys" are undertaken regularly to contribute to the fostering of a supportive working environment. These programmes offer female employees accessible channels to voice their concerns and amplify an inclusive workplace.

In FY 2024–25, women comprised 8% of the Company's workforce. Additionally, 35% of the workforce are less than 30 years of age, 59% are in the bucket of 30-50 years of age and 6% are above 50 years of age. The Company also has 0.24% differently abled employees.

Zydus is committed to ensuring pay parity, which reflects its dedication to fostering an equitable work environment that values qualifications and performance over demographic factors. Pay parity promotes diversity, inclusion, and fairness in the workplace. The Company wholeheartedly supports equal gender pay and ensures that employees are paid equally based on their experience, qualifications, etc. The table below provides details on the average basic salary and remuneration paid to women and men in the reporting year.[5]



Ratio of Average basic salary and remuneration of women to men

Employee category	UoM	Basic salary of male employee (FY 2024-25)	Basic salary of female employee (FY 2024-25)	Ratio of basic salary of female to male employee
Top Management	INR	7,849,506	5,089,924	64.84%
Senior Management	INR	2,705,988	2,494,744	92.19%
Middle Management	INR	1,312,505	1,336,761	101.85%
Junior Management	INR	602,075	620,930	103.13%
Associates/ Non-management	INR	385,570	375,984	97.51%
Contract	INR	0	0	0.00%

[5]GRI 405-2

Learning and Development

Zydus places special emphasis on addressing the training needs of the employees and workers, with everyone given equal opportunity for growth and development. The Company has established an online learning platform called ZyLearn, offering over 350 modules covering behavioural modules, multimedia content, and self-paced learning. This is further complemented with classroom sessions facilitated by experts and trainers.

Through a transition from offline learning to a hybrid model, Zydus supports accessible and enhanced learning and development with targeted programs such as CRAFT 2025, LEAP and STEP UP. These learning initiatives focus on leadership development, business alignment and future readiness.

Enrolment and progress of individuals in these learning and development programs is actively tracked and monitored via a ZyLearn Dashboard. Employees are awarded digital certifications based on engagement levels. The Company has adopted a post programme evaluation approach and stakeholder feedback sessions to gauge the impact of the learning and development programmes and behavioural changes. Impact is also assessed through evaluation of business metrics such as productivity, performance shifts and promotion data.



In FY 2024-25, each employee underwent an average of 34 hours of training. The table provides gender-wise and employee category-wise average training hours.[6]

Employee Category	UoM	Male	Female	TOTAL (2024-25)
Senior Management	TTH	35235	330	35565
	Average	35	4	32
Middle Management	TTH	214164	9859	224022
	Average	37	21	35
Junior Management	TTH	276716	39898	316614
	Average	22	34	23
General Staff	TTH	319006	25192	344198
	Average	59	71	59
Total	TTH	845122	75278	920400
	Average	34	36	34

TTH : Total Training Hours

Zydus also offers specialised employee development programs aimed at enhancing individual skills in self-management, team leadership, and business management. These initiatives are strategically designed to promote personal growth and career advancement, while also securing the organisation's talent pipeline by preparing internally trained individuals to transition into key positions within Zydus. Such programs benefit the organisation by boosting productivity, minimizing turnover, and fostering a culture of ongoing learning and innovation.[7]

The Company's capability building initiatives and interventions are driven through different centres of excellence. Each centre is focused towards specific areas of people capacity building, ensuring learning outcomes catering to role requirements, talent pipeline building and organisational success. These centres of excellence are Skill Building School, Leadership Development Academy and Succession and Development Institute and Career Progression Centre.

[6]GRI 404-1
[7]GRI 404-2

Performance Enhancement

Zydus employs a comprehensive and structured performance appraisal system through Management by Objectives (MBO), which facilitates goal setting, performance assessment, and continuous feedback. This approach encourages employees to collaborate closely with managers to establish specific, measurable, achievable, relevant, and time-bound (SMART) objectives and key results , aligning with the Company's strategic goals. At the beginning of each performance cycle, employees and managers engage in thorough discussions to define these objectives, ensuring clarity and a shared understanding of expectations and targets.

During the performance cycle, employees actively work towards their objectives, with regular check-ins and feedback sessions from managers to assess progress and identify improvement areas. This continuous feedback loop fosters a culture of transparency, accountability, and ongoing development. By giving employees ownership of their goals while aligning their efforts with larger organisational objectives, the MBO system helps enhance individual performance and contributes to overall success.

The Company has implemented various performance evaluation methodologies tailored to specific roles and functions. For senior managers and above, the ZyScore MyScore system integrates individual roles with broader organisational objectives, providing guidance and motivation for meaningful contributions. For first and second-line managers and individual contributors (ICs), the PRIDE system offers role-specific evaluations and development support. Sales performance evaluation is managed through a dedicated Sales Performance Management system.

Through this multi-faceted performance management strategy, clear alignment between individual and corporate goals is ensured, promoting both personal growth and organisational effectiveness. This approach is vital for driving sustainable business performance and maintaining the Company's competitive edge in the dynamic pharmaceutical industry.

In FY 2024-25, all the eligible employees and workers underwent a performance review.



Employee Engagement

Zydus recognises the significance of continuous and constructive engagement with the employees. Targeted initiatives that support employee wellbeing and personal and professional development are implemented. Investing in these programs signifies a commitment to the people who are fundamental to the success of the business, resulting in a more satisfied and motivated workforce. Key employee engagement initiatives include:[8]

Health and Wellness Programs

Zydus Well-being:
Annual health check-ups and subsidised treatment for employees and their families at Zydus Hospitals.

24/7 Medical Assistance:
Comprehensive medical support, including ambulance services and emergency first aid at manufacturing sites.

Medical Insurance:
Robust medical insurance policy for on-roll employees and workers, including extended to their parents. In FY 2024-25, the Company has increased the medical insurance limit, further enhancing health security for the workforce.

Top-Up Options:
Additional coverage through a top-up medical insurance plan.

Zydus Cares:
Support program for pregnant employees with assigned buddies throughout pregnancy.

Parental Leave:
Five days of paternity leave for fathers. Maternity leaves for mothers are given for 26 weeks as per regulatory requirements.

Zydus "Khel Ka Mahasangram":
Year-round sports activities encouraging employee participation.

Zydus ranked #1 amongst future ready workplaces



Zydus was ranked #1 in the Future Ready Workplaces survey and study conducted by Fortune India. From a country wide survey from across the sectors, 50 companies were shortlisted. This achievement reflects the organisation's culture, the commitment to next gen, people-centric practices, leadership development and a forward-looking workplace ethos.

Fortune India March 2025

[8]GRI 401-2

Work-Life Balance Initiatives

Zydus Clubs:
Opportunities for employees to engage in hobbies and passions, promoting a healthy work-life balance.

Flexible Working Hours (Work from Home):
Options for flexible schedules to accommodate personal needs.

Employee Recognition and Engagement

Employee Recognition Programs:
Initiatives like "Champion of the Month" and Zydus "STARS" to motivate and recognise employees' contributions.

Family and Financial Support

Childcare Facilities:
Daycare services to support working parents and lactation rooms available at the workplace for nursing mothers.

Financial Support for Families:
In the event of an employee's demise, the deceased family is provided with financial support as part of Zydus employee well-being policy. Additionally, low-interest loans for marriage, housing, education, and medical emergencies are offered.

Emergency Wallet Services:
Introduced in FY 2024-25, this initiative supports employees by making funds available on an immediate basis in dire situations.

The table below provides details on employee who took parental leave in the reporting year:[9]

100%	100%	86%	86%
Rate of Return of Male Employees	Retention Rate of Male Employees	Rate of Return of Female Employees	Retention Rate of Female Employees



[9]GRI 401-3

Succession Planning for Key Managerial Personnel

Succession planning strategies for critical senior management roles has seen significant progress over the fiscal year with the following steps being taken to actively scout and hire talent that can take the helm:

1. **Identification of High-Potential Talent:**
   The Company has implemented a structured talent review process across departments to proactively identify high-potential individuals. This enables relevant and accurate mapping of current capabilities aligned to future leadership needs.

2. **Development Plans and Stretch Assignments:**
   Customized development plans, including cross-functional projects, mentoring and executive coaching, have been put in place to accelerate readiness for leadership roles. Executives are also nominated for comprehensive training programmes at IIM Ahmedabad and global executive MBA programmes at Harvard.

3. **Bench Strength Analysis:**
   Regular succession reviews and leadership capability assessments are now conducted, helping us build ready-now or ready-soon successors for all critical senior roles.

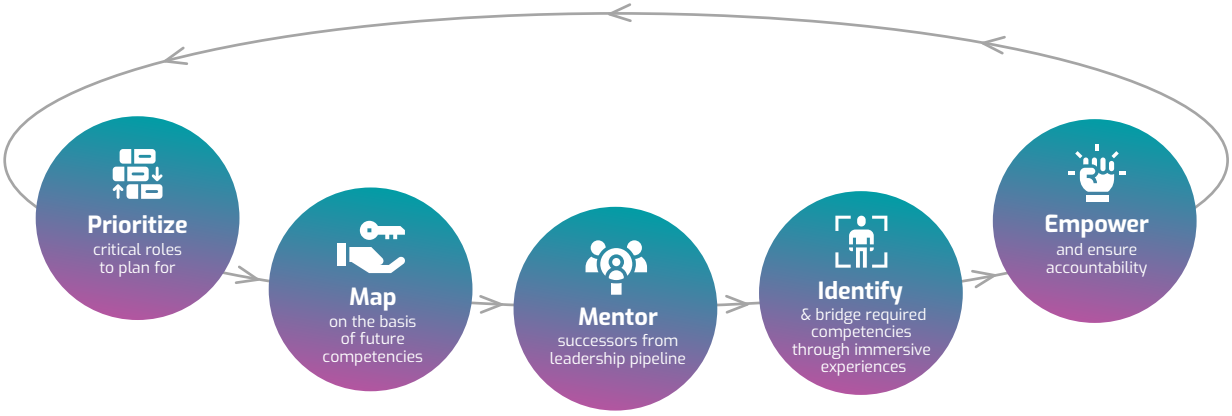
4. **Governance:**
   A dedicated talent council and succession planning framework, overseen by senior HR leaders and the executive team, ensures accountability and continuous improvement.

5. **Diversity in Leadership:**
   Building diverse leadership pipelines, ensuring greater inclusivity in the Company's leadership teams.

These efforts have resulted in several internal promotions to senior roles, reduced leadership gaps during transitions, and increased confidence from stakeholders in leadership continuity. Overall, the leadership pipeline is more agile, better prepared, and aligned with our long-term strategic goals. As a strategic initiative, the Company has also carved out a dedicated Parenteral Operations business unit with new leadership onboarded to have a special focus on the injectables business. Zydus has also restructured its entire IRA function and merged it with the Pharmaceutical Technology Regulatory function to ensure a smooth transition of quality functions.

A recent example of successful succession planning can be seen in the appointment of the Company's Deputy CFO. Recognising the need for long-term continuity in financial leadership, the organisation implemented a structured succession strategy. The Company's CHRO is another example of successful succession planning strategy put into practice. The smooth transition reinforced cultural continuity and signalled the company's commitment to nurturing internal talent.

Zydus Succession Planning Roadmap



Human Rights and Compliance

To affirm the dedication to human rights and anti-discrimination practices, Zydus has developed a robust Human Rights Policy, applicable across its global operations. This policy is rooted in the principles of the Universal Declaration of Human Rights, including those outlined in the International Bill of Rights and the Declaration of Fundamental Rights at Work (1998) by the International Labour Organisation. The Company expects its value chain partners to adhere to these standards, requiring them to align with these principles and establish effective grievance mechanisms to promptly resolve the issues. Zydus is committed to upholding human rights through a comprehensive and structured vigilance framework that aligns with relevant policies and procedures. As a responsible organisation, full compliance is ensured with all applicable laws and regulations. The commitment to addressing human rights issues is reinforced by dedicated internal audits and site visits.

Zydus actively works towards identifying potential risks to human rights across operations and value chains, prioritising the impact of its business on key stakeholders, including employees, women, children, workers, third-party employees, and local community members. The Company undertakes comprehensive company-wide due diligence process to identify risks related to operations, labour standards, health and safety, environmental practices, and corporate ethics.

This regular due diligence is conducted by a cross-functional team focusing on issues like forced labour, child labour, human trafficking, discrimination, freedom of association, safe working conditions, and fair wages. Additionally, Zydus' supply chain partners are required to provide signed documentation to the Company as evidence of compliance with these Human Rights Due Diligence standards. The Company is committed to safeguarding the rights and well-being of stakeholders throughout operations and value chain partners.[10] In the reporting year, there have been no instances of human rights violations.

Zydus recognises that freedom of association is a fundamental extension of workplace rights, empowering employees to engage in collective representation and ensuring their voices are heard in matters that affect their work environment and conditions. In FY 2024-25, 23% of the workers were associated with Union/employee association in India. Zydus does not restrict any of its employees from association with the trade union or collective bargaining agreements.[11]



[10] GRI 406-1, 407-1, 408-1 and 409-1
[11] GRI 2-30

Occupational Health and Safety

The Company is deeply committed to Occupational Health and Safety (OHS), ensuring a safe and healthy work environment for all employees, contractors, and individuals. This commitment is reflected in its comprehensive Environment Health and Safety (EHS) policy.

Zydus' Occupational Health and Safety (OHS) framework aligns with pertinent international standards and regulations, incorporating best practices from standards like ISO 14001 and ISO 45001. To provide for a collaborative culture of safety, the Company actively involves all employees and their representatives in the development and implementation of OHS initiatives.[12]

The Company is committed to the continuous improvement of its OHS management system, establishing clear priorities and action plans to effectively address safety challenges. Furthermore, quantitative targets have been set to enhance OHS performance metrics, enabling Zydus to measure progress and drive significant changes across all operations. In FY 2024-25, there were 0 fatalities and 4 Total recordable work-related injuries. By adopting a proactive approach to safety, the Company not only aims to meet regulatory requirements but strive to surpass them, fostering a workplace where everyone feels secure and valued.

The Company ensures that all its workers are covered by occupational health and safety management system and the same is reviewed during internal audit of ISO 45001. At Zydus, there are also regular external audits by third parties.[13]

A comprehensive program designed to safeguard the well-being of employees has been established, following a structured and holistic approach: [14]

Incident Reporting and Preparedness:

The EHS incident reporting and investigation policy has been implemented across all operations, for all incidents related to near miss, process safety near miss, high potential, first-aid cases, medical treatment cases, lost time cases, restricted workdays, fatalities, occupational illnesses, chemical exposure and process safety.



Risk and & Hazard Assessment:

The program includes thorough risk and hazard assessments aimed at identifying potential workplace hazards:

a. **PSSR** (Pre-Start-up Safety Review): Systematic safety review conducted before starting up a facility or equipment to ensure that all safety measures are in place. It checks for hazards, verifies that safety systems are operational, and confirms that all necessary training and procedures are completed.

b. **HAZOP** (Hazard operating procedures): It helps to identify potential hazards and operational issues in a system. The EHS team also reviews the design or process to identify how deviations from normal operations could lead to safety or performance issues.

c. **HIRA** (Hazard Identification Risk Assessment): It helps to prioritise risks based on their potential impact and likelihood, thereby guiding to take appropriate control measures.

[12]GRI 403-1
[13]GRI 403-8
[14]GRI 403-2 and 403-6

The Company also undergoes regular Third-Party Safety audits for all facilities.[15]

Industrial Hygiene(IH):
Monitoring such as personal exposure sampling, containment validation and cross contamination study for potent molecules (OEB-5) is conducted periodically. This helps to constantly improve the facilities for employee's occupational health.

Safety Management Software (Zysafe)
All manufacturing facilities have implemented safety management systems through Zysafe software (http://zysafe/login.aspx). All the employees have access of Zysafe software. Zysafe software consists of 9 different modules for EHS Scheduling, Observations, Corrective Action Preventive Action (CAPA), Incident Investigation, EHS Monthly Report, Global CAPA, Work Permit, Safety Passport and EHS Quiz. In the reporting year, the Company has introduced a new e-learning module and Global CAPA in the Zysafe software on behavior based safety, electrical safety, static charge, emergency preparedness, risk assessments and process safety interpretation.

Worker Participations and Healthcare Initiatives
As part of Zydus' commitment to safety, workers actively participate in safety committee meetings, as mandated by statute. During these meetings, they report work-related hazards, and effective mitigation measures are discussed and implemented collaboratively. The Company provides access to an onsite doctor and maintain an Occupational Health Centre (OHC) clinic to address all medical queries. Furthermore, all permanent employees and workers are covered by a medical insurance policy, subsidised treatment options, extended coverage of medical insurance policies for families of employees and annual health check-ups, ensuring that their non-occupational medical needs are met.[16]

This proactive approach enables Zydus to prioritise and integrate actionable plans with quantifiable targets to effectively address these risks. The Company continually evaluates progress in reducing and preventing health issues, ensuring that the targets of reducing Lost-time Injury Frequency Rate (LTIFR) rate by 5 % by 2025 is met.



[15]GRI 403-7
[16]GRI 403-3, 403-4 and 403-7

Natural Capital

At Zydus, in a rapidly changing business environment, the Company constantly strives to understand how human and planetary health are interconnected. As a pharmaceutical Company, different natural resources such as energy, water and raw materials plays a significant role across the Company operations. Protecting, conserving, and thinking about the future of these natural resources is not merely a responsibility, but a priority for them. The Company believes in proactive nurturing of a healthier planet that serves to build a brighter future for the world. With this resolve, Zydus constantly endeavours to create a lasting positive impact on global health and sustainability.



*Performance Highlights

Target	Progress
45% reduction in GHG Intensity from the baseline year of FY 2021-22 (Scope 1 + Scope 2)	**58%** reduction in GHG Intensity achieved as compared to baseline **~130%** of the GHG Intensity target is achieved by FY2024-25
50% of the energy requirement from renewable sources	**39%** renewable energy in total energy mix **78%** of the renewable energy target is achieved by FY2024-25
Carbon neutrality in operations (Scope 1 + Scope 2)	**39%** renewable energy in total energy mix
Net Water Neutrality	**21%** reduction in water intensity Creation of water recharge structures in progress
Increase waste disposal via co-processing by **40%** for India operations	**35%** waste disposal via co-processing **88%** of the target is achieved by FY2024-25

* Standalone India Operations

The Company manages dependencies and impacts across the value chain, guided by international frameworks such as the GRI (Global Reporting Initiative) Standards, ISO 14001 (Environment Management System), ISO 45001 (Occupational Health and Safety Management System), Taskforce on Climate-related Financial Disclosures (TCFD) and emerging standards like the Taskforce on Nature-related Financial Disclosures (TNFD)[1].

Zydus' efforts on conservation of Natural Capital are structured around following five strategic areas:

- Climate Change
- Energy and Emissions
- Water Stewardship
- Waste Management
- Biodiversity Preservation





[1]GRI 3-3

EHS Governance

At Zydus, the corporate EHS and site function ensures regulatory compliance and promotes sustainable practices. The EHS team is responsible for maintaining adherence to applicable regulations and standards, including ISO 14001 and ISO 45001, and executing key environmental conservation initiatives. The team plays a strategic role in aligning EHS activities with corporate objectives and developing comprehensive EHS disclosures for sustainability reporting. At each site, the team ensures the effective implementation of EHS systems and policies, setting a clear strategic direction that fosters a culture of safety and environmental responsibility organisation wide.

Key Policies

The **Energy Conservation Policy** outlines a strategic approach to improving energy efficiency across all operation, including offices, manufacturing facilities, and R&D centres. It emphasises on compliance with applicable regulations, establishment of energy management frameworks, and adoption of advanced energy-efficient technologies. Additionally, the policy advocates for investments in renewable energy sources and encourages employee participation in sustainability initiatives, ensuring continuous improvement and adherence through regular policy reviews.

There is also an **Environmental, Health, and Safety (EHS) policy** which outlines a strategic approach aimed at safeguarding environment and achieving 'Zero Harm', through rigorous compliance, innovation, and sustainable practices. The policy emphasises embedding EHS principles into the organisational framework, building a culture of safety and environmental responsibility, and establishing robust systems for hazard identification and incident reporting. The Policy also encourages continuous improvement through training, stakeholder engagement, and pursuit of relevant accreditations, ensuring a comprehensive and proactive management of environmental and safety standards across all business operations.

Celebrating Environment Month



The Company's commitment to environmental awareness extends beyond World Environment Day through a month-long celebration of 'Environment Month.' During this period, the employees are engaged across sites with interactive activities such as slogan contests, quizzes and environmental-themed puzzles. Winners are recognised through the Company's internal communications and monthly forums, reinforcing the value placed on environmental consciousness and employee participation and recognition.

Climate Change

In Zydus' pursuit of climate resilience and transparency, the Company has aligned its climate disclosures with TCFD guidelines. Through a comprehensive climate risk assessment, TCFD principles have been integrated across Governance, Strategy, Risk Management, and Metrics and Targets. This alignment enables the Company to effectively understand and address climate change risks, supporting informed decarbonisation strategies. The Climate Impact Explorer, developed by Climate Analytics, was utilised to rigorously evaluate climate-related risks to operations. Various climate scenarios were examined, including Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway RCP 6.0 and RCP 4.5, to assess location-specific physical risks associated with potential global temperature increases of 1.7–3.2°C. The analysis covered changes in maximum temperature, rainfall patterns, flood likelihood, and sea level projections for 2020 to 2040. Both physical and transition risks were identified, using scenarios from the Network for Greening the Financial System (NGFS) to gain a well-rounded understanding of the challenges and opportunities posed by climate change. This analysis has enhanced the Company's understanding of future risks and opportunities, allowing for the proactive development of mitigation plans.

The Climate Risk Assessment aligned with the four pillars of TCFD was conducted in FY 2023-24 . Looking ahead, Zydus plans to revisit and update this assessment periodically. In future efforts, the Company aims to conduct site-level risk assessments and disclose the specific risks identified at each location. These initiatives reflect Zydus' commitment to addressing climate change and advancing its sustainability goals.

For further details on the '**Climate Risk Assessment**,' please refer to the Zydus Lifesciences ESG Report FY 2023-24 at the following link: zyduslife.com/public/pdf/ZLL-ESG_Report-FY2024.pdf

Performance-linked Incentives

At Zydus, climate-related objectives are integrated into the Key Responsibility Areas (KRAs) for employees and Business Unit (BU) Heads, with a focus on driving ESG initiatives. Between 5% and 7% of the KRAs for individuals involved in ESG groups and committees are dedicated to ESG and climate-related Key Performance Indicators (KPIs), providing a financial incentive for achieving these goals.

These objectives are designed to encourage the formulation and execution of strategies aimed at reducing energy consumption and emissions. In alignment with the Company HR policy, KRAs are evaluated biannually, while internal reviews with BU Heads regarding ESG and climate goal progress are conducted monthly. Successful attainment of these targets is directly linked to performance rewards, including monetary incentives, salary increments, and promotions.

For supply chain teams at Zydus, sustainable procurement practices such as sourcing renewable energy, are integrated into their performance-linked incentives, ensuring that ESG considerations are woven into all aspects of the Company's operations.



Energy Management[2]

Key Highlights

- In FY 2024-25, Zydus achieved a reduction in energy intensity of 8% compared to FY 2023-24 and 16% compared to FY 2022-23.
- The share of renewable energy in the total energy mix at group level increased from 37% in FY 2022-23 to 44% in FY 2024-25.
- A saving of 5.5 lakh GJ of energy was accomplished due to a 16% improvement in energy efficiency over the last three years.



Alignment with SDGs



At Zydus, certified energy auditors accredited by the Bureau of Energy Efficiency (BEE), Government of India, carry out regular internal energy audits. The energy audits are further reinforced by independent third-party audits every three years, in line with statutory obligations. The internal Energy Excellence Team plays a central role in this initiative, actively identifying opportunities to reduce energy consumption and enhance overall efficiency through detailed site-level audits. Key energy performance indicators, particularly energy consumption per unit of production and energy cost-saving metrics, are tracked and analysed monthly. These metrics are reviewed by the Head of Operational Excellence and the Projects and Engineering Head to guide decision-making.

Momentum and alignment across sites are maintained through structured fortnightly review meetings on energy performance involving the team members from Energy Excellence Team, Site Engineering Head, and Site Engineers. These meetings focus on tracking progress towards targets, planning upcoming energy projects, and optimising resources and timelines. Consistent monitoring and cross-functional collaboration help advance energy management goals and enhance sustainability efforts. ~80% of the sites are certified with ISO 14001 and ISO 45001 certifications. 100% of consumer wellness manufacturing sites are certified with ISO 14001 and 45001 standards.

[2]GRI 302-1

Total Energy Consumption

Particulars	U.O.M	FY 2022- 23	FY 2023- 24	FY 2024- 25
Total Electricity Consumption	GJ	10,75,816	10,76,227	12,69,506
Total Fuel Consumption	GJ	17,15,024	18,07,138	19,00,646
Total Energy Consumption	GJ	27,90,840	28,83,364	31,70,152
Energy Intensity[3]	GJ/Revenue in Million Rupee	16.19	14.75	13.64

The fuel consumption includes Light Diesel Oil (LDO), High-Speed Diesel (HSD), coal, furnace oil, biomass, and natural gas, reflecting a balance between conventional energy requirements and the gradual transition towards more sustainable alternatives. Electricity is consumed from the grid, through open-access purchase power agreements and on-site solar rooftop installations. Due to an 18% increase in production volume, there has been a rise in absolute energy consumption by 10% in FY24-25. However, this rise in energy consumption has been effectively mitigated by a strong focus on improving operational efficiencies and energy conservation. Over the past three years, a 16% improvement in energy efficiency has been achieved, resulting in energy savings of 5.5 lakh GJ, underscoring the commitment to sustainable growth.

Total Energy Consumption - Non-Renewable

Particulars	U.O.M	FY 2022- 23	FY 2023- 24	FY 2024- 25
Total Electricity Consumption	GJ	10,17,062	9,19,313	9,62,568
Total Fuel Consumption	GJ	7,51,386	7,53,281	7,97,843
Total Energy Consumption	GJ	17,68,448	16,72,594	17,60,411

Total Energy Consumption - Renewable

Particulars	U.O.M	FY 2022- 23	FY 2023- 24	FY 2024- 25
Total Electricity Consumption	GJ	58,754	1,56,914	3,06,939
Total Fuel Consumption	GJ	9,63,638	10,53,857	11,02,803
Total Energy Consumption	GJ	10,22,392	12,10,771	14,09,741

GJ : Gigajoule

Particulars	FY 2022- 23	FY 2023- 24	FY 2024- 25
Share of renewable energy in the total energy consumption	37%	42%	44%

[3]GRI 302-3

Energy Conservation Initiatives[4]

The Company's commitment to operational excellence has resulted in significant energy savings in terms of both i.e. electricity and fuel energy savings. Key initiatives contributing to this achievement include replacing outdated chillers with high-efficiency models, installing Variable Frequency Drives (VFDs) for AHUs and cooling tower fans, optimising compressed air pressure, implementing Energy Conservation (EC) fans, installing motion sensors, and refining compressed air dryer dew points. Some of the innovative measures to cut down the Company's energy usage can be referred from page 195 of the report.

The annual energy consumption target for FY24-25 was 32.57 lakh GJ and actual consumption was 31.70 lakh GJ. This resulted in annual energy savings of more than 87000 GJ due to the Company's continuous focus on improving energy efficiency, thereby reducing energy consumption. The Company has proactively embraced alternative energy sources to minimise environmental impact. They utilise over 40,000 metric tons of biomass fuel annually as the primary source for boiler operations, effectively generating steam with reduced carbon emissions. Additionally, in-house solar energy production exceeds 1,000 MWh, serving as a sustainable alternative to grid-based power. Furthermore, the Company has purchased over 80,000 MWh of renewable hybrid electrical energy.



CASE STUDY

Replacement of Existing old chiller with new higher efficient chiller

Challenge

In 2024, a pivotal energy efficiency project was launched at Moraiya plant targeting the reduction of power consumption and enhancement of system performance. The project specifically focused on the chilled water system, a critical component of the plant's infrastructure. During the internal energy audit, it was found that Chiller No. 1 had a significantly larger operational lifespan which resulted in its higher specific power consumption at 0.965 iKW/TR (part load) and 0.764 iKW/TR (full load).

Solution

The identified low efficiency chiller was replaced with a new, high-efficiency model. This strategic upgrade was implemented to optimize energy use and enhance system performance across the board.

Results

- Specific power consumption improved to 0.545 iKW/TR (part load) and 0.552 iKW/TR (full load).
- Annual energy savings of more than 1200 MWh was achieved translating to annual monetary savings of ~₹11 Million.
- Investment of ~₹11 Million was made with a payback period of 12 months.

[4]GRI 302-4, GRI 302-5, GRI 305-5



CASE STUDY

Optimizing Energy Efficiency in Boiler Operations

Objective

The Company's largest API Unit in Dabhasa undertook a crucial project to reduce coal consumption by enhancing boiler efficiency. With utilities like boilers contributing to around 40% of manufacturing energy consumption, reducing coal usage became imperative for efficiency improvements and environmental impact reduction.

Solution

In its initiative to reduce coal consumption at the API Unit, the following approach was adopted by Zydus:

- Applied ISO 50001 standards to identify significant energy uses, concentrating on chillers, boilers, and air compressors.
- Focused efforts on enhancing boiler system efficiency based on significant energy consumption metrics.
- Targeted an increase in the steam to fuel ratio, aiming to lift it from 5.5 to 6.3.
- Conducted numerous trials to ensure service stability and compliance with environmental regulations.
- Implemented comprehensive monitoring of coal quality and optimized condensate recovery.
- Executed minor operational adjustments to refine performance.
- Achieved enhancement in boiler efficiency from 79% to 83% without necessitating capital investment, fulfilling energy reduction goals.

Results

- Successfully reduced coal usage from 717 MT to 619 MT, achieving an annual savings of 128 MT.
- Lowered emissions by 238 tO_2e

Enhancing Energy Efficiency through Employee Engagement

The Company focuses on equipping its workforce with the necessary skills and knowledge to drive energy efficiency and sustainability initiatives. Employees undergo extensive training and acquire key sustainability certifications, including CII-certified Sustainability Assessor, Energy Manager/Auditor and GRI Professional.

Additionally, internal training is provided for ISO 14001, ISO 45001 and ISO 50001 Lead/Internal Auditor courses, along with resource efficiency modules, ensuring the team is well-prepared to support the Company's sustainability objectives.

To foster a culture of continuous improvement in energy performance, the Company hosts annual Energy Excellence Awards. Formulation units are grouped into two categories based on their energy consumption; large volume units (power budget >10 GWh) and small volume units (power budget <10 GWh).

Sites are assessed against a set of transparent criteria pertaining to energy management, improvement in energy efficiency and energy conservation. The two best performing sites gets recognition as Winner and Runner-up awards based on their energy performance. This high-level recognition by senior leadership significantly boosts team morale and reinforces commitment to climate-related initiatives.

The Company encourages innovation through the 'Strategic Lean Integrated Manufacturing (SLIM)' idea portal. This platform serves as a hub for employees to submit improvement ideas, particularly those focused on energy and water conservation.

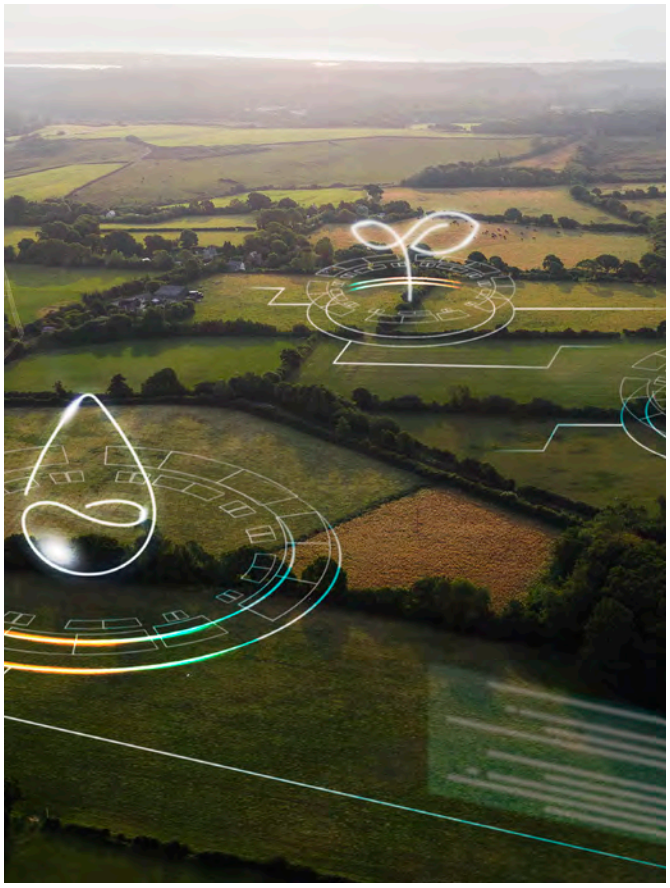
Once reviewed and approved, these ideas are implemented across sites, with recognition and rewards given for impactful contributions. Till date, over 1,300 employees are acknowledged for their innovation and dedication to environmental efficiency.

The Operational Excellence division leads the Company's energy and water conservation initiatives. This division sets ambitious annual targets for achieving exceptional results in these areas, with progress diligently monitored. Bi-weekly meetings with site Engineering and EHS teams ensure effective dialogue, while comprehensive monthly reviews, led by the head of Operational Excellence, track and evaluate progress towards these goals.

Emissions Management

Key Highlights

- In FY 2024-25, Zydus achieved a reduction in GHG intensity of 15% compared to FY 2023-24 and 26% compared to FY 2022-23.
- Renewable energy (RE) share (%) in total energy consumption mix has risen from 37% FY2022-23 to 44% FY2024-25.
- Greenhouse Gas (GHG) emission reduction of ~ 2 lakh tO_2e in the FY 2024-25 and ~ 3 lakh tO_2e over the past three years was achieved due to improvement in operating efficiency and increase in RE share.



Alignment with SDGs





The commitment to reducing greenhouse gas (GHG) emissions is central to the Company's decarbonisation strategy, focusing on deploying energy-efficient technologies, transitioning to cleaner fuels, and enhancing supply chain sustainability to lower Scope 1 and Scope 2 emissions.

GHG Emissions[5]

Particulars	U.O.M	FY 2022- 23	FY 2023- 24	FY 2024- 25
Total Scope 1 Emissions	tO_2e	53,577	65,459	56,459
Total Scope 2 Emissions	tO_2e	2,10,137	1,92,010	2,05,172
Total Scope 3 Emissions	tO_2e	25,670	51,363	*66,916
GHG Intensity (Scope 1 + Scope 2)	tO_2e/Revenue in Million Rupee	1.53	1.32	1.13

*Increase in scope 3 emissions for FY24-25 is due to increase in the scope of reporting boundary of scope 3 emissions categories.

Biogenic Emissions

Particulars	U.O.M	FY 2022-23	FY 2023-24	FY 2024-25
Biogenic Emissions	tO_2e	38,689	43,714	45,425

[5]GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4

The scope 1 emissions include emissions from fuels consumed in operations and refrigerant leakage from air conditioning equipment. Biogenic emissions encompass emissions from biomass used in steam generation. The scope 2 comprises emissions from purchased electricity. Due to an 18% increase in production volume, there is 7% rise in Scope 2 emissions for FY24-25.

However, this increase has been effectively mitigated through a strong focus on renewable energy (purchased and generated). These efforts have resulted in an abatement of ~ 2 lakh tCO_2e for the reporting year and ~ 3 lakh tCO_2e over the last three years, reflecting a strong commitment to low-carbon growth.

This year, emissions have been inventorised across 5 of the 15 Scope 3 categories as per the GHG Protocol, with a commitment to expanding efforts by assessing the remaining relevant categories, thereby enhancing environmental impact management and ensuring greater transparency in ESG initiatives. Among the 5 categories for which GHG emissions are calculated, Category 2 (Capital Goods), Category 6 (Business Travel), and Category 9 (Downstream Transportation and Distribution) emissions are calculated using the spend-based method. Category 5 (Waste Generated in Operations) and Category 7 (Employee Commuting) emissions are calculated using waste-specific and distance-based methods, respectively. Additionally, Category 8 (Upstream Leased Assets) is calculated using the asset-specific method.

Emission Category	U.O.M	FY 2023- 24	FY 2024- 25
Capital Goods	tO_2e	865	1,934
Waste Generated in Operations	tO_2e	14	17
Business Travel	tO_2e	22,054	32,514
Employee Commuting	tO_2e	3,570	3,643
Upstream Leased Assets	tO_2e	1,441	1,513
Downstream Transportation and Distribution	tO_2e	23,421	27,294

Renewable Transition[6]

To strengthen its commitment towards mitigating climate change in its operations, Zydus entered into an open-access power purchase agreement to procure 45 MW of Hybrid energy, combining solar and wind power, from a third-party provider. This strategic initiative supports the goal of achieving the strategic objective of Net Carbon Neutral by 2028 and a 45% reduction in greenhouse gas emissions for Scope 1 and Scope 2 by FY2029-30, using FY2020-21 as a baseline. The climate action targets are in alignment with the Intended National Determined Contributions (INDC) by the Government of India.

For FY2024-2025, Zydus successfully increased its renewable power procurement share by 91%, with purchases growing from 43,393 MWh to 82,785 MWh compared to the previous year. Additionally, there was a transition from coal to biomass briquettes in the steam boilers, using over 42,000 metric tons of biomass fuel as the primary source for boiler operations, significantly reducing reliance on fossil fuels.

The Company installed a solar power plant capable of generating over 1000 MWh, further enhancing its renewable energy portfolio.



[6]GRI 305-5



The total GHG emission reduction achieved through various initiatives amounted to 63,116 tO_2e.

Initiatives	GHG Emission Reduction (tO_2e)
Purchase of renewable energy	60,873
Generation of onsite solar energy	508
Process improvement/modification	1,048
New technology adoption	687

Air Emissions[7]

The Company has installed Online Continuous Emission Monitoring Systems (OCEMS) at its manufacturing locations to ensure accurate tracking of air emissions, providing real-time data and ensuring compliance with environmental standards.

Advanced technologies, including electrostatic precipitators (ESP), scrubbers, bag filters, and cyclone separators, have been implemented to minimize air emissions. These air pollution control measures are designed to effectively manage emissions and strictly regulate air pollutants. Emissions are monitored and measured through approved laboratories.

Particulars	U.O.M	FY 2022- 23	FY 2023- 24	FY 2024- 25
Nox	MT	16.11	29.05	29.36
Sox	MT	22.85	47.15	46.43
Particulate matter (PM)	MT	23.85	42.46	44.19

[7]GRI 305-7

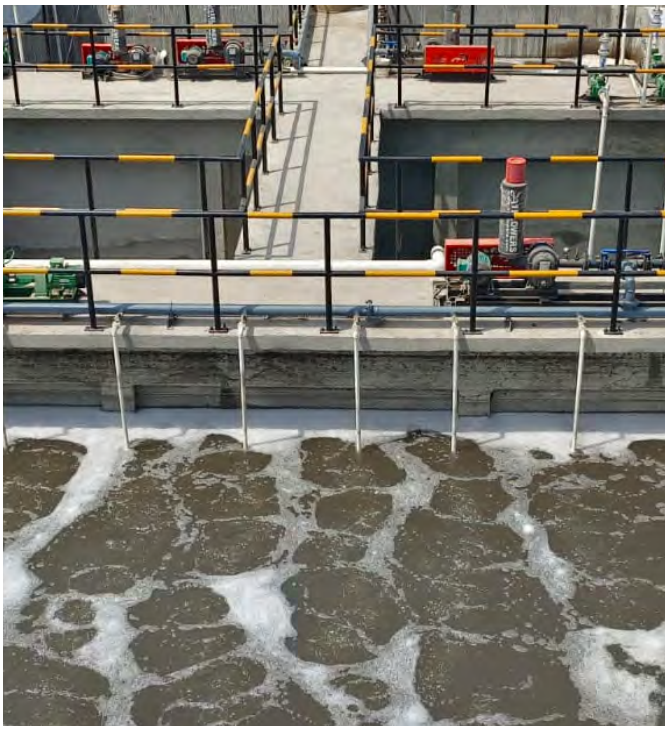
Water Management[8]

Key Highlights

- In FY 2024-25, Zydus achieved a reduction in water intensity of 10% compared to FY 2023-24 and 19% compared to FY 2022-23.
- ~5.5 Lakh KL of water savings have been achieved through a 19% improvement in water efficiency over the past three years.
- Achievement of approximately 43% wastewater recycling in FY 2024-25, an improvement from 38% in FY 2023-24

Alignment with SDGs





Water, the elixir of life, is indispensable for sustaining ecosystems and serves as a vital component in human activities. In the pharmaceutical sector, where manufacturing and quality standards demand continuous water use for processes such as drug synthesis, cleaning, and cooling, environmental challenges arise, including potential pollution and depletion of local water resources. Zydus is dedicated to achieving water neutrality by implementing innovative water management strategies and investing in advanced treatment technologies to minimise its water footprint and mitigate environmental impacts.

A cross-functional team has been formed to manage the water neutrality project, with oversight provided by the EHS function and CSR team, and third-party agency serving as the implementing partner.

Net Water Neutrality Commitment

Zydus prioritises 'Water Management' as a core ESG material issue. Water risk assessments have been conducted across various sites, and efforts are ongoing to reduce freshwater consumption, improve water intensity, and maximise recycling and reuse. This year, Zydus partnered with third-party agency on a water neutrality project across 11 villages to harvest rainwater for agricultural reuse and aquifer recharge.

The goal is to achieve net water neutrality by FY 2026-27 against a baseline year of FY 2021-22. More than 1.9 lakh kilolitres are planned to be harvested and recharged annually. Stakeholders are continuously educated on water reduction and clear targets in alignment with both global sustainability goals and national priorities are set for water management.

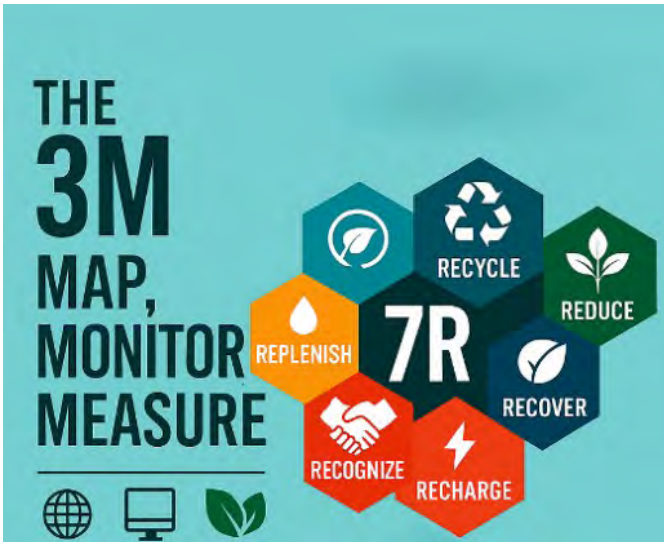
Using the *WWF Water Risk Filter Tool, water risks were assessed at 11 locations, including villages in the Mandal and Viramgam blocks. In these water-stressed areas, plans are in place to implement farm ponds, restore community ponds, build percolation tanks, gabions, repair check dams, and install recharge shafts. The implementing partner also conducted sessions promoting water conservation and efficient agriculture.

Zydus has adopted a Zero Liquid Discharge (ZLD) approach across all sites, with one facility already achieving full ZLD status. The treated water is utilised for horticulture and non-essential operational purposes. The water management efforts align with India's National Water Mission, focusing on water conservation, minimising waste, and ensuring equitable distribution.

[8]GRI 303-1, GRI 303-2

* WWF : World Wide Fund for Nature

The Water Neutrality project is based on the 3M-7R approach



- **Map:** Mapping of the current and diversified pool of fresh as well as recycled or reused water sources.
- **Monitor:** Monitoring quality of the resources, including discharges and quality of land or water sources that receive treated discharge.
- **Measure:** Measuring the amount of water used.
- **Reduce:** Reduce water consumption.
- **Recycle and Recover:** Maximise the recycling and reuse of treated water to reduce freshwater intake.
- **Replenish and Recharge:** Create more rainwater storage facilities and recharge the groundwater table.
- **Recognise/ Respect:** Brand recognition to achieve water neutrality by significantly contributing to the environment and society.

Water Consumption[9]

Particulars	U.O.M	FY 2022-23	FY 2023-24	FY 2024-25
Surface water	KL	5,38,227	5,49,629	5,28,792
Groundwater	KL	9,58,995	9,42,714	10,92,466
Third-party water	KL	7,82,490	8,36,580	8,66,349
Total Water Consumption	KL	22,79,713	23,28,923	24,87,608
Water Intensity	KL/Revenue in Million Rupees	13.23	11.91	10.70

Water Consumption from Water Stressed Areas[10]

Particulars	U.O.M	FY 2022-23	FY 2023-24	FY 2024-25
Total Water Consumption	KL	2,12,528	2,25,890	2,59,173
Water Intensity	KL/Revenue in Million Rupees	1.23	1.16	1.12

Due to an 18% increase in production volume, the water consumption has gone up by 15% for FY24-25. However, this rise in water consumption has been effectively mitigated through a strong focus on water conservation and improving water efficiency. These efforts have resulted in savings of approximately 5.5 lakh KL of water through 19% improvement in water efficiency over the past three years.

[9]GRI 303-5
[10]GRI 303-5

Nearing Zero Liquid Discharge [11]

Zero Liquid Discharge (ZLD) systems have been implemented across the manufacturing sites, supported by robust infrastructure to effectively treat wastewater. A comprehensive multi-stage treatment process is utilized, beginning with primary and secondary treatment, followed by advanced tertiary technologies like Ultrafiltration (UF) and Reverse Osmosis (RO). For streams with high Total Dissolved Solids (TDS), specialized equipment including Multi-Effect Evaporators (MEE), Mechanical Vapour Recompressors (MVR), and Agitated Thin Film Dryers (ATFD) are employed.

For FY 2024-25, 37% of the water consumption is recycled and repurposed for horticulture, toilet flushing, cooling towers, and various other utility operations.



Water Recycled

Particulars	U.O.M	FY 2022-23	FY 2023-24	FY 2024-25
Water Recycled	KL	7,65,722	8,09,324	9,24,820

Water Discharge

Particulars	U.O.M	FY 2022-23	FY 2023-24	FY 2024-25
Water Discharge	KL	12,61,399	12,79,727	14,25,991

Rainwater Harvesting

Rainwater harvesting structures have been constructed across Ahmedabad district, where a significant number of facilities are located. These structures include community ponds, Nala Deepening and Widening structures (NDW), farm ponds, submerged borewells, and injection borewells.



[11]GRI 303-4

A recharge potential of 8,55,603 kilolitres has been created through these water management structures. As of FY 2024-25, approximately 4,21,526 kilolitres have been successfully achieved, accounting for roughly 50% of the target.

This project aims to improve groundwater quality, enhance local aquifer recharge potential, and boost soil fertility. Through rainwater harvesting and storage in farm ponds, nalas, and community ponds, water availability is facilitated for cultivation throughout the year. These efforts will make several hundred hectares of land cultivable, significantly improving the livelihoods of local villagers by ensuring water availability for agricultural use.

Commitment to Water Quality and Regulatory Compliance

Zydus has established a robust monitoring system to ensure consistent water quality and regulatory compliance. Effluent parameters are tested in-house daily and are regularly verified through third-party assessments conducted periodically. Its API units are also equipped with continuous online effluent monitoring systems, overseen by the Central and State Pollution Control Boards (CPCB and SPCB).

The Company is committed to enhance water management practices through feedback, technological upgrades, and proactive resource allocation. The water consumption and reuse targets are diligently monitored monthly through the EHS Forum to review the water performance and plan necessary actions to meet the targets.



Waste Management[12]

Key Highlights

- 55% waste disposal by co-processing in FY 2024-25 as compared to 48% in FY 2023-24.
- In FY 2024-25, Zydus achieved a reduction in waste intensity of 6% compared to FY 2023-24 and 17% compared to FY 2022-23.

Alignment with SDGs



The Company's waste management strategy is designed to minimize waste generation and enhance sustainability across its operations. Regular internal audits are conducted to identify opportunities for waste reduction and develop action plans with measurable targets, helping to effectively discover and implement alternatives to minimize waste. By investing in research and development, Zydus incorporates innovative technologies that reduce its waste footprint, ensuring it stays abreast of industry advancements. Comprehensive waste reduction training is provided to employees, complemented by awareness initiatives at various manufacturing sites, which engage the workforce in sustainable practices and contribute to combating climate change.



Waste Generated[13]

Particulars	U.O.M	FY 2022-23	FY 2023-24	FY 2024-25
Total Waste Generated	MT	**25,025**	**28,603**	**32,105**
Plastic waste	MT	2,971	2,855	3,133
Bio-medical waste	MT	420	487	455
E-waste	MT	46	32	49
Construction and demolition waste	MT	-	-	45
Battery waste	MT	59	23	23
Other hazardous waste	MT	15,825	17,085	18,714
Other non-hazardous waste	MT	5,705	8,121	9,685

[12]GRI 306-1, GRI 306-2
[13]GRI 306-3

Nearing Zero Waste to Landfill[14]

The waste management strategy is centered around the 5R Principles: Refuse, Reduce, Reuse, Recycle, and Recover, with the goal of achieving zero waste to landfill. Over the past two years, formulation manufacturing sites have consistently achieved the "Zero Waste to Landfill" status.

Hazardous waste is managed responsibly by partnering with authorised vendors for safe disposal through landfill, incineration, and co-processing at cement kilns. Disposal of hazardous waste in landfills has come down from 40% in FY2023-24 to 35 % in FY2024-25. Additionally, the aim is to increase co-processing to 40% for India operations by FY2026. The pre and co-processing of hazardous waste has gone up to 55% in FY2024-25 from 48 % in FY2023-24 at group level. Also, the co-processing has gone up from 26% in FY2023-24 to 35% in FY2024-25 at standalone India operations. This results in 88% achievement of corporate ESG target i.e., "Disposal of waste up to 40% via co-processing by FY2026-27" for standalone India operations. This co-processed waste from operations is utilised to produce Alternative Fuels and Raw Materials ("AFR") for the cement industry, contributing to resource conservation and reducing carbon footprints.

E-waste and battery waste are sent to registered recyclers for recycling, while bio-medical waste is safely incinerated. 100% of non-hazardous waste is also safely disposed of by recyclers. Furthermore, plastic waste is directed towards recycling and managed effectively at the end of its life cycle.

Total Waste Diverted from Disposal

Particulars	U.O.M	FY 2022-23	FY 2023-24	FY 2024-25
Total Waste Recycled	MT	16,737	18,027	21,107

Total Waste Diverted to Disposal

Particulars	U.O.M	FY 2022-23	FY 2023-24	FY 2024-25
Total Waste Disposed	MT	**8,182**	**9,405**	**10,927**
Incineration	MT	604	1,159	1,075
Landfilling	MT	3,960	3,756	3,860
Co-processing	MT	3,602	3,355	3,927
Pre-processing	MT	16	1,135	2,064



[14]GRI 306-4, GRI 306-5

Product Stewardship

Zydus is committed to minimising the environmental impact of its products by collaborating with both upstream and downstream partners in the value chain. For FY2024-25, 39% of the suppliers adheres to the requirements of sustainability practices and frameworks i.e., ISO 14001, ISO 50001, and ISO 45001 standards.The Company aims to increase this percentage through supplier engagement and awareness. Zydus designs its manufacturing processes to be environmentally friendly, leveraging solar energy and biomass boilers, along with electrostatic precipitators and scrubbers to reduce emissions. The Company optimises its production batches to increase efficiency without additional energy use, reuses condensate in boilers and replacing electrical heaters with hot water coils. Energy-efficient technologies, such as variable frequency drives and high Coefficient of Chillers (COP) chillers, further enhance resource management.

In product packaging, Zydus has made conscious efforts to reduce the use of paper and plastic by 5.75 tonnes and 10.5 tonnes respectively, and transitioned medication guides to digital formats, decreasing paper usage by 5.75 tonnes over four years as part of its sustainable product packaging. The Company also conducts scheduled preventive maintenance in its operations to optimise the productivity, reduce operational and energy costs, and improve energy efficiency,





reiterating its long-term commitment to sustainable practices and responsible resource management.

Life Cycle Assessment

In FY 2024-25, Life Cycle Assessments (LCA) were conducted on Mesalamine, used in the treatment of ulcerative colitis. Utilising a "Cradle to Gate" boundary approach, the assessment offered a thorough evaluation of the product's environmental impact from production to end-of-life. To ensure objectivity and compliance with industry standards, the assessment was carried out by an external agency.

Biodiversity Preservation

In their commitment to biodiversity, Zydus prioritises enhancing tree plantation efforts both within and around their facilities. This initiative is crucial for safeguarding the habitats of flora, fauna, and bird life in these areas. Their operations strictly adhere to all relevant legal, regulatory, and biodiversity standards, ensuring that they meet and exceed required compliance. Zydus embraces environmentally sustainable technologies and innovative practices aimed at continuous improvement in environmental performance and pollution reduction. Building awareness is integral to this approach, as the Company actively engages with vendors, contractors, and service providers to minimise the consumption of natural resources across raw materials, logistics, and recycling processes.

The commitment to No-Deforestation highlights Zydus' dedication to conducting business in ways that do not contribute to deforestation. They are actively implementing practices to prevent deforestation across their operations. First, they are reducing paper consumption by exploring alternative materials and sustainable packaging solutions to lessen the demand for virgin forest resources. Second, they prioritise reuse and recycling initiatives for their packaging materials, thereby reducing the need for virgin paper. Lastly, they ensure compliance with all regulatory requirements related to forest conservation and the promotion of afforestation. Through these initiatives, Zydus strives to protect forest ecosystems while supporting sustainable business practices.



Biodiversity Risk Assessment

In FY 2023-24, a comprehensive assessment of the Company's Indian operations was conducted to evaluate biodiversity-related risks and dependencies using the WWF Biodiversity Risk Filter, aligned with the TNFD framework. This assessment covered manufacturing units and offices, focusing on identifying direct and indirect impacts. Zydus adhered to the mandates from the IUCN Red List and National Conservation List, ensuring that none of their operations were in sensitive biodiversity zones. Key risks identified included pollution, extreme heat, and water scarcity, prompting the implementation of a range of mitigation strategies such as pollution abatement, water conservation, and habitat restoration. The Company also expanded the green belt at six strategic locations, planting over 4,250 trees, which significantly contributed to carbon sequestration and habitat preservation. Additionally, their commitment to regulatory compliance ensured that no penalties were levied for environmental violations, underscoring the importance of biodiversity conservation in their sustainability strategy.

For further details on the 'Biodiversity Risk Assessment', please refer to Page 46-47 of the Zydus Lifesciences ESG Report FY 2023-24 at the following link: https://www.zyduslife.com/public/pdf/ZLL-ESG_Report-FY2024.pdf

Future Outlook

Zydus is committed to advancing environmental sustainability by accelerating the shift towards renewable energy solutions across operational units. Acknowledging the interdependencies between environmental stewardship and long-term value creation, the Company is investing in solar infrastructure, green energy procurement, and energy-efficient operations to lessen their reliance on non-renewable resources. Beyond energy, Zydus is adopting a holistic approach to environmental responsibility by enhancing water stewardship through initiatives like water recycling, rainwater harvesting, and striving for water neutrality.

Zydus is also intensifying efforts to minimise waste with improved segregation, safe disposal of hazardous materials, and co-processing practices. Steps are also being taken to preserve local biodiversity by maintaining green belts and conducting biodiversity assessments. Going forward, this integrated approach aids in minimising environmental impact, enhancing resource resilience and fostering a low-impact growth trajectory aligned with long-term business sustainability.

Relationship Capital

In the pursuit of advancing global healthcare solutions, Zydus' approach to relationship capital management is grounded on transparency, mutual respect, and shared value creation. The organization believes these principles are vital in navigating the complexities of the healthcare ecosystem. By building an environment of open dialogue and active engagement, Zydus ensures that every interaction contributes toward quality and enduring relationships. This approach enables the Company to drive innovation, support sustainable growth, and enhance the overall value of care provided to patients worldwide.



Performance Highlights

73%
of procurement budget towards local suppliers

100%
of customer complaints resolved

30%
of significant suppliers assessed on ESG parameters

NIL
advertising complaints



Sustainable Supply Chain and Responsible Sourcing

At Zydus, responsible supply chain management is of strategic significance, considering its expansive multinational operations and the intricate network of partners within its upstream and downstream value chains. The organization employs a strategic management approach to supply chain management and responsible sourcing that emphasizes resilience, efficiency, and sustainability. By integrating cutting-edge technology and data analytics, Zydus enhances transparency and decision-making processes across its supply chain, allowing for real-time tracking and optimization of operations.

The Company's supply chain management strategy is designed to ensure adherence to ethical practices, regulatory requirements, and sustainability goals, while maintaining high-quality standards as specified in its Supplier Code of Conduct. This Code delineates the minimum standards expected from all suppliers, encompassing commitments to prevent and address issues such as corruption, labour rights violations, environmental impact, data protection, and process safety. It is mandatory for all current and potential suppliers to comply with this Code and Zydus' associated policies and procedures, confirming their adherence in writing. By integrating these critical aspects into its supply chain management practices, Zydus aims to enhance transparency, mitigate risks, and build trust among consumers, regulators, and investors.

Supplier Sustainability and Compliance[1]

Zydus has instituted a Vendor Rating System designed to track and evaluate supplier compliance with essential sustainability standards. Few prominent supplier-focused ESG programmes and initiatives encompass:

Regular Assessments
Systematic evaluations of supply chain partners and inventory are conducted in accordance with organisational guidelines.

Performance Evaluation
Vendor performance is assessed in a structured manner to guarantee adherence to Zydus Supplier Code of Conduct.

Supplier Diversity
The Company actively cultivates diversified supplier base for critical products and services to bolster business continuity and mitigate risk.

Annual Online Evaluations
Vendors undergo yearly assessments based on precise ESG criteria to ensure ongoing compliance.

Commitment to ESG Standards
Each vendor is required to operate according to ESG standards delineated in the "Zydus Code of Conduct for Suppliers," providing a formal undertaking or agreement prior to commencing any business activity. This ensures that purchasing practices consistently align with the Supplier Code of Conduct, precluding any conflicts with ESG principles.

Statutory Compliance Verification
A sustainable system is established to verify all statutory compliances by the vendors, safeguarding integrity and accountability.

Vendor Audits
Rigorous reviews of both, new and existing vendors are initiated through periodic audits, in alignment with the Company's Quality Policy, Supplier Code of Conduct, internal quality standards, ESG criteria, and applicable regulatory mandates.

Risk Management
The Central Procurement Committee is tasked with identifying and prioritising key risks, implementing effective mitigation strategies.

Awareness and Education
The vendors are continuously educated and made aware about the Company's ESG journey, emphasising expectations for supply chain partners to meet ESG standards. These vendor awareness aspects include anti-bribery, fair trade practices, anti-discrimination, fair treatment, antitrust and competition, data privacy and protection, worker health and safety, resource conservation, climate protection, and waste and emissions management.

1. GRI 308-1, GRI 308-2, GRI 403-7, GRI 407-1, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2

Supplier Screening

The supplier screening framework is designed to evaluate suppliers based on their relevance to the business, compliance with sustainability standards, and adherence to the Code of Conduct. This screening process examines suppliers for exposure to potential risks, including those specific to countries, sectors, and commodities. Critical suppliers are identified as those posing a higher risk due to their substantial spend value and non-substitutability, ensuring that targeted risk management strategies are implemented effectively.

For suppliers not compliant with sustainability standards, the recently instituted vendor assessment mechanism provides them a grace period for necessary improvements and alignment with Company values before engaging with business. This activity allows for the assessment of risk appetite to ensure that sustainability efforts do not compromise business continuity, maintaining a resilient and robust supply chain.

Parameter	Coverage in FY 2024-25
Number of Tier 1 Suppliers	219
Total number of Significant Tier 1 Suppliers	122
% of total spend on Significant Tier 1 Suppliers	58%
Total number of non-Tier 1 Suppliers	5,264
Total number of suppliers (Tier 1 and non-Tier 1)	5,483

Note:

- Tier 1 suppliers are direct providers delivering goods or services straight to Zydus, including suppliers of Active Pharmaceutical Ingredients (API), excipients, and primary packaging materials.
- Significant suppliers are those that represent a higher risk based on spend volume, identified through spend analysis, and those that are non-substitutable.



Supplier Assessment

A detailed monitoring and assessment process has been established to support supplier compliance with Company's policies, relevant laws and regulations. All critical suppliers are evaluated annually through a desk-based audit on their sustainability performance aligned with Zydus' sustainability mandate. To streamline this assessment process, Zydus is working to automate it using specialized software. Moving forward, suppliers must meet or exceed a passing criteria to demonstrate compliance. Identified suppliers with a score of less than passing criteria will be provided remedial support and corrective action plans. The goal is to achieve 100% compliance with Zydus' ESG Framework among strategic suppliers by FY 2027, underscoring the Company's commitment to sustainable and responsible sourcing.

Supplier Assessment Framework

Annual Evaluation
- Desk Assessments by Internal Team
- On-site Evaluations

Compliance Assessment
- Regulatory Compliance
- Assess ESG Criteria Maturity of suppliers

Enhancement of Supplier Capabilities
- Conduct training sessions aimed at enhancing suppliers' understanding of ESG principles



Data Disclosure
- Disclose performance data related to key ESG parameters

Results Review by Internal Team
- Identify areas of improvement and implement corrective actions

Supplier Code of Conduct
- Adherence to Supplier Code of Conduct covering critical social criteria such as human rights, harassment, fair wages and child labour

Parameter	Coverage in FY 2024-25	Target for FY 2025-26
Total number of suppliers assessed via desk assessments	37	62
% of unique significant suppliers assessed	30%	50%

Supplier Capacity Building

To ensure alignment with the Company expectations, Zydus regularly conducts educational webinars and awareness sessions for its suppliers. These sessions emphasise environmental and social responsibility, ethical business conduct, and bolster supplier awareness of Company's sustainability initiatives and requirements. Key areas addressed include:

- Safety Training and Safety Week Celebrations
- ISO 14001 Certification Training
- Compliance Training for Good Manufacturing Practices (GMP)
- Contractor Safety Management
- Environment Day Celebrations
- Digital Platform for Procure-to-Pay (P2P) Cycle – ARIBA
- Technology Partnerships, System Integration, and Process Automation
- ESG Awareness Programmes
- Social Upliftment Initiatives such as paying wages above the minimum requirement

Sustainable Raw Materials

The Company has implemented mechanisms to ensure the sustainable sourcing of raw materials from suppliers who adhere to established sustainability standards. These sustainability standards includes ISO 14001 (Environment Management System), ISO 50001(Energy Management System) and ISO 45001(Occupational Health and Safety Management System). In the reporting year, 39% of Zydus' inputs were sourced from suppliers with established ESG practices.

Local Sourcing[2]

Zydus is dedicated to engage with small producers, vulnerable and marginalized groups, and local suppliers to enhance the resilience of its supply chain and support local economic growth. **In FY 2024-25, 73% of total procurement budget was directed towards local suppliers serving the Company's manufacturing facilities. Additionally, 11% of the input materials were sourced from MSME suppliers.** Through these initiatives, Zydus remains committed to encourage environmentally responsible practices within its supply chain, ultimately strengthening the communities in which Zydus operates.



[2]GRI 204-1

Digital Initiatives in Supply Chain Management

With a strong focus on proactive planning, data-driven decision-making, and automation, Zydus is transforming its supply chain into a strategic enabler of business growth.

Key digital initiatives include:

PACE
Planning And Collaboration Excellence

Planning and Collaboration Excellence (PACE) – Enhancing Operational Efficiency

The Planning and Collaboration Excellence (PACE) application platform has been developed as an innovative software that aids in consensus planning, bringing multiple stakeholders onto a unified platform to foster collaboration. Equipped with optimization tools for requirement simulations, PACE identifies optimal production needs based on forecasted demand and facilitates Rough Cut Capacity Planning (RCCP). The platform enables proactive decision-making to optimize procurement needs, demand forecasting, production schedules, and storage solutions.

AI EXIM OCR

CARGOES by DP WORLD

Innovative Solutions for Enhanced Global Logistics

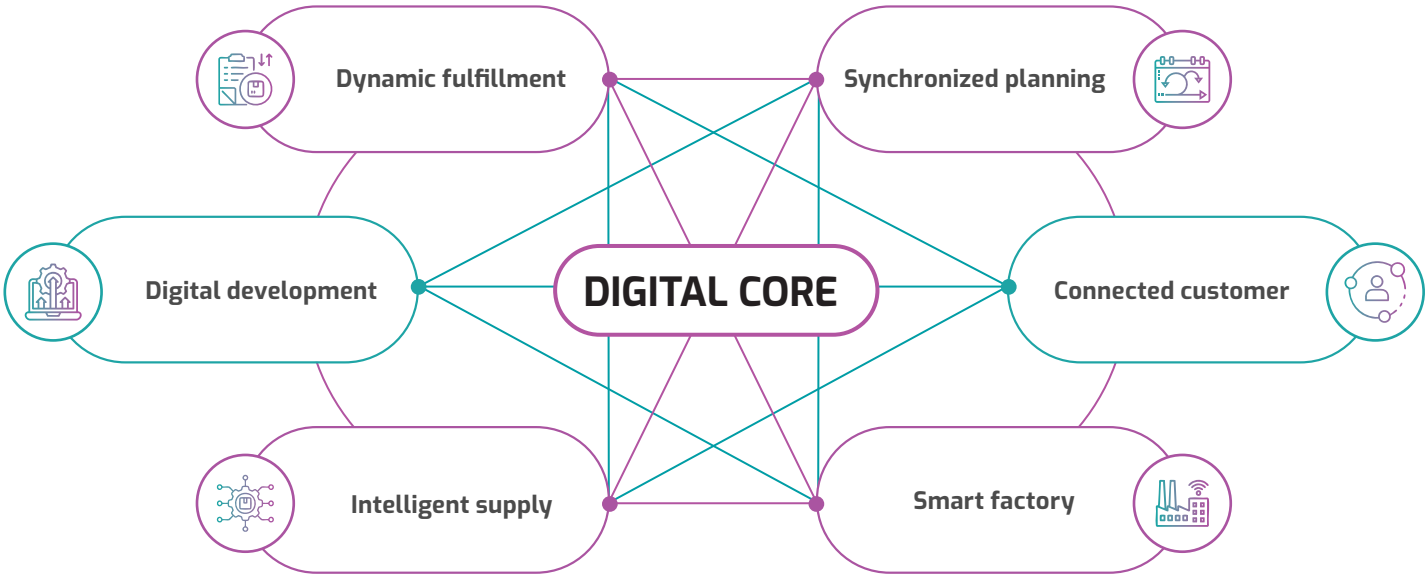
Zydus employs advanced technologies, including innovative logistics solutions for real-time vessel and shipment tracking, ensuring efficient freight management and seamless visibility within global logistics. Additionally, AI Exim OCR, an AI-based smart document reader, consolidates import-export documentation, enhancing operational efficiency and streamlining processes across the logistics network.

Process Automation for Enhanced Efficiency

To drive automation, AI based intelligent decision making, and to streamline internal operations, the Company has established a dedicated Digital Office team within its Global Demand and Supply Operations (GDSO) division. This department focuses on several key areas:

- **Inventory Health Monitoring Solutions:** This system tracks slow and non-moving inventory to optimise inventory management strategies.
- **Production Prioritisation Automation Tool:** An automated solution that determines the priorities of current month's manufacturing needs (P-Zero), ensuring efficient production scheduling and timely deliveries.
- **Automated Dispatch Planning for India Market:** The team is overhauling the existing manual dispatch planning system and developing an automated Distribution Requirements Planning (DRP) tool to enhance operational efficiency.

Digital Supply Networks



Engaging with Customers

Zydus actively engages with its customers to build strong relationships and extend business opportunities. This ongoing connection allows the Company to understand industry challenges and accommodate the diverse needs and aspirations of the customers.

Customer Relationship Management

Zydus has established comprehensive processes for addressing queries and grievances, including medical information and adverse events, ensuring quick acknowledgment and efficient resolution.

Query Management Process

Systems have been established for receiving, recording, investigating, and responding to product quality complaints related to products and saleable intermediates manufactured, marketed, and/or distributed by Zydus. Complaints can be received verbally, in writing, or through electronic means such as post, fax, email, telephone, or in-person, along with any supporting evidence like samples or photographs. Upon receipt, complaints are logged and acknowledged with any necessary additional information for further investigation. Complaints are categorised into critical, major, minor and a preliminary investigation is conducted in accordance with applicable regulations.

Investigations are conducted within a stipulated timeframe to identify the root cause, assess impact, evaluate risks to product quality and patient safety, and decide on appropriate corrective and preventive actions. Immediate actions may be required, such as product recalls, alert notifications to regulatory agencies, or suspending product manufacturing. Responses to complaints are provided within 60 days, and feedback from the complainant is awaited before closing the complaint.

Zydus is committed to patient safety through its global pharmacovigilance policy. Customers of its consumer wellness arm can reach the Company by writing to the mailing address customercare@zyduswellness.com, or calling the customer care number at 18001206868. The Customer Care team promptly addresses complaints and feedback, while the Quality team reviews issues for corrective action.

Grievance Resolution Process



Upon receipt of a customer grievance, the issue is promptly acknowledged and logged in the Product Complaint Tracker for further monitoring.

An investigation is initiated to identify the root cause, with a commitment to completion within 45 working days.

A detailed response addressing the customer's concerns is provided upon conclusion of the investigation.

During FY 2024-25, a total of 1,547 customer complaints were received, and successfully resolved, achieving a 100% resolution rate of the complaints.

Promoting Ethical Marketing and Responsible Product Use

Zydus upholds the highest standards of ethical marketing. Its commitment for ethical marketing are as follows:

- Manufacture and market any of its product only after taking necessary approvals from the concerned regulatory authorities
- Ensures ethical interactions with customers and healthcare professionals
- Provide accurate and balanced information about the company's products and services to its customers and promote the products in approved indications only
- Practice fair competition and conduct activities in order to ensure ethical and legal competition, with strict compliance with applicable standards

Zydus conducts regular compliance training for its sales and marketing teams on Drug Price Control Order (DPCO) and Uniform Code of Pharmaceutical Marketing Practices (UCPMP) guidelines, medical review committees to ensure the scientific accuracy of promotional materials. Also, Healthcare Professional (HCP) engagement policy is present to focus on education and evidence-based communication. Zydus' participation in industry self-regulation initiatives further reinforces its commitment to responsible outreach. To promote the responsible use of its products, Zydus undertakes targeted initiatives across therapeutic areas. For instance, in nephrology, Zydus ensures that Desidustat is promoted strictly within approved indications, supported by ongoing Phase 4 and real-world studies. It also engages clinical experts to establish clear usage guidelines.

Educational efforts are central to Zydus' approach: it conducts regular training sessions for medical staff, offers a digital certification program on rabies prophylaxis in collaboration with scientific societies, and runs focused meetings with HCPs to improve immunization awareness, product safety, and cold chain integrity. These efforts help build trust, promote appropriate product use, and ensure long-term impact on public health.

Zydus' consumer wellness division is dedicated to product safety and ethical marketing, ensuring high-quality products that adhere to strict labeling standards, including ingredient lists, nutritional information, and safety warnings. Its focus areas include health and nutrition, specifically targeting sweetener science, protein nutrition, pediatric and adult nutrition, lipid sciences, gut microbiome, and immunity. Zydus defines 'healthy nutrition' criteria to tailor product innovations to specific nutritional needs while adhering to regulatory guidelines, ensuring micronutrient levels do not exceed 100% of the Recommended Dietary Allowance (RDA).

Nutrient claims on packaging guarantee at least 15% RDA delivery, with health benefit claims offering up to 30% RDA. Zydus' products undergo rigorous safety and efficacy testing through pre-clinical and clinical studies, compliant with Indian and global guidelines, and registered on the Clinical Trial Registry of India (CTRI). It conducts thorough analysis and reassessment in accordance with RDA 2020 guidelines. Zydus also promotes environmental and social responsibility by reducing sugar content and providing clear usage instructions.

With zero advertising complaints, Zydus enables informed consumer choices through diverse media channels and offers free product trials.



Customer Safety and Awareness[3]

Customers can access comprehensive information about the products, services, and therapeutic areas that Zydus offers, through various platforms. Company's official website features detailed resources on research and products and is accessible at https://www.zyduslife.com/research.html. Additionally, to promote the safe and responsible use of its pharmaceutical products, Zydus has implemented clear and comprehensive labelling on all items, including detailed usage instructions, dosage guidelines, and storage conditions. Each prescription product is accompanied by a Product Insert (PI), which provides essential information on potential side effects, storage requirements, and usage precautions. These measures ensure that customers are well-informed, thereby enhancing the safe utilization of medications.

In FY 2024-25, there were no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, and marketing communications

The company has appointed a dedicated Brand Protection Team that actively conducts market surveillance to identify counterfeit products. This team collaborates closely with state drug authorities and police officials to act against counterfeit operations. The team also evaluates such cases, pursuing appropriate legal actions, including filing FIRs and prosecuting offenders. These efforts, including operations against counterfeit squads, are also publicised in the media. To further address this issue, continuous improvement measures are implemented such as introducing authenticity checks at the customer level, to prevent the distribution and use of counterfeit products. All products are regarded as significant and the team at Zydus evaluates the health and safety impacts of each product with the same level of precision.[4]

In the consumer wellness arm, product safety and quality are ensured through the Company's facilities in Ahmedabad, Sikkim (Units I & II), and Aligarh, accredited for Food Safety System Certification (FSSC) 22000, ISO 14001 and 45001 focusing on sustainable and health-enhancing formulations like reduced sugar content offerings. **In FY 2024-25, there were zero product recalls. Additionally, all 1,483 customer complaints received throughout the year were timely addressed and resolved.**

[3]GRI 417-1, 417-2, 417-3
[4]GRI 416-1

Customer Satisfaction

At the core of the Company's business is an unyielding dedication to customer satisfaction that extends far beyond its products and partnerships. The Company highly prioritizes providing outstanding quality service and is committed to continuously improving its offerings. This devotion is reflected in the consistently positive feedback it receives, underscoring its deep-rooted customer-centric approach.

Zydus conducts Regular Advisory Boards to gather valuable customer feedback, enabling the Company to gain insights on its products, developmental needs, and service improvement, which directly influence its product development and enhance its service offerings.



Voice of Trust

"Over our 15-year partnership, Zydus has proven indispensable to our supply chain, consistently delivering top-quality generics. Their innovative drug development, coupled with unique formulations, distinguishes them in the industry. Throughout challenges like COVID-19, Zydus' reliability and proactive inventory management ensured steady supply. Their integrity and commitment to excellence have earned our unwavering trust.

We value Zydus' contributions and anticipate continued success together, backed by their sustainable practices and clear communication."

– Red Oak Sourcing (for CVS and Cardinal Health)

Patients and Public Health

Millions of people worldwide are challenged by inadequate access to quality medical resources and essential healthcare services, highlighting a profound and urgent disparity in global health equity. Responding to this critical need, Zydus is dedicated to enhancing the accessibility and affordability of vital medications, particularly in Latin America, Asia Pacific, and Africa. The Company's mission focuses intensely on underserved and marginalised communities, who are most affected by this gap in healthcare provision. By prioritising these at-risk segments of society, **Zydus aims to build an environment where the most vulnerable populations gain equitable access to the healthcare resources.**

Improving Access to Medicines

Zydus recognises that improving access to medicines requires more than innovation—it demands addressing deep-rooted systemic challenges. Across therapy areas such as gastroenterology, hepatology, nephrology, and vaccines, the Company continues to identify and tackle barriers through a multi-pronged, impact-driven strategy.

Nephrology

Key Challenges:

- Limited availability of certain life-saving medicines
- High out-of-pocket healthcare expenses
- Low awareness among patients regarding treatment options

Zydus Solutions:

- Zydus Rx4U facilitates access to essential treatments through regulated import pathways
- Therapeutic Drug Monitoring (TDM) testing, drug level monitoring, and subsidized medicines for transplant and Chronic Kidney Disease (CKD) patients, especially those from vulnerable communities
- Working with organisations like the Kidney Warrior Foundation (KWF) to raise awareness and promote new therapeutic options

Gastroenterology & Hepatology

Key Challenges:

- Low awareness and delayed diagnosis of chronic conditions like Metabolic Dysfunction-Associated Steatotic Liver Disease (MASLD) and Inflammatory Bowel Disease (IBD)
- Inconsistent treatment protocols and uneven healthcare infrastructure across regions

Zydus Solutions:

- Regular continuing medical education (CMEs), symposia, and scientific forums to standardize HCP knowledge and improve early recognition and treatment
- PAN India screening support for MASLD (Fibro LiverScan) and viral hepatitis
- Disease education, counselling, and adherence programs tailored to improve long-term outcomes
- Collaboration with Key Opinion Leader (KOL), medical institutions, and advocacy groups to update clinical guidelines and reduce stigma
- Continuous training to empower field teams to advocate for evidence-based therapies and their clinical value

Vaccines

Key Challenges:

- Vaccine adoption outside the national program remains extremely low (7-10%) in paediatrics and <1% in high-risk adult populations
- Limited awareness and weak advocacy among both HCPs and the public

Zydus Solutions:

- Promoting awareness for recommended (non-compulsory) vaccines across all age groups
- Focused outreach in clinics and mass awareness campaigns to improve education and demand
- Large-scale training initiatives to empower healthcare professionals to advocate for vaccine adoption

Improving Access in Vulnerable and Remote Communities

Significant advances have been made in access to screening and treatment in tier-2 and tier-3 towns and remote regions across India, particularly in areas with a high burden of fatty liver disease and viral hepatitis. The approach includes:

- Partnering with local health authorities, NGOs, and voluntary trusts
- Conducting screening camps and diagnostic drives in rural villages, corporate offices, banks, PSUs, schools, and with police forces
- Distributing educational toolkits and clinical algorithms adapted to local context

Liver scan machines are now operational across India, including hard-to-reach areas like Kargil and the Northeast, and are deployed in leading hospitals and clinics. These efforts have not only enabled early diagnosis and timely intervention but also strengthened the position as a patient-centric organization and leader in MASLD care.

Strategic Partnerships for Progress

Zydus is committed to enhance access to vital healthcare treatments through the formation of strategic alliances and the initiation of proactive programmes. The Company collaborates with distinguished global partners to drive collaborative development and extend the reach of essential medicines in critical healthcare domains.

Through its wholly-owned subsidiary, Sentynl Therapeutics, Zydus is at the forefront of addressing rare diseases by advancing the accessibility and affordability of treatment options. The newly accepted New Drug Application for CUTX-101, intended for the treatment of Menkes disease, exemplifies the Company's profound commitment to transforming healthcare landscapes. This breakthrough, facilitated by strategic partnerships with Fortress Biotech and powered by advanced clinical research, represents a shared vision to ensure that pioneering medical solutions reach underserved populations, embodying a mission that prioritizes patient-centric approaches and ethical practices.

Furthermore, in collaboration with a biopharmaceutical partner and a dedicated research foundation, Zydus is advancing the global accessibility and affordability of Zokinvy®, a treatment for Hutchinson-Gilford Progeria Syndrome (HGPS). This strategic partnership highlights the Company's commitment to addressing the needs of patients facing this rare genetic disorder, which leads to premature aging and cardiovascular issues in children. Zokinvy® has been instrumental in extending the life expectancy and improving the quality of life for those affected. By leveraging combined expertise and resources, this agreement seeks to advance research, facilitate distribution, and ultimately strive for affordability, thereby lessening the financial burden on families affected by this rare condition.



Partnerships with Seed Companies

Promaxo

Through its partnership with Promaxo Inc., the Company is committed to enhancing patients' access to affordable healthcare by leveraging cutting-edge technology. Promaxo's portable low-field MRI systems enable point-of-care imaging, enabling early diagnosis and treatment. This FDA-cleared system is specifically designed for prostate biopsies and procedures, providing an accessible alternative to traditional MRIs. The collaboration brings robotic-assisted interventions, improving precision and predictability in medical care, and ensuring patients receive high-quality treatment in a broader range of healthcare settings.

neuro42

The Company's investment in neuro42 Inc. exemplifies a strategic partnership aimed at revolutionizing patient access to healthcare through advanced technology. By introducing portable MRI systems for neuroimaging and interventions, neuro42 enhances bedside diagnostics and treatments. This collaboration promises to streamline procedures, making healthcare more accessible and precise by leveraging innovative solutions for brain biopsies and ablations. Through this partnership, neuro42 is well-positioned to meet the growing healthcare demands in neurology, driving progress in patient-centered care and global healthcare accessibility.

Illexcor Therapeutics

The investment in Illexcor Therapeutics marks a significant step forward in enhancing patient access to healthcare through strategic partnership and innovative technology. The Company is committed to addressing the unmet medical needs of patients with sickle cell disease (SCD) by supporting Illexcor's pioneering first-in-class oral therapy, which directly targets and mitigates the disease's root cause. This collaboration reflects the Company's dedication to leveraging transformative early-stage healthcare innovations, along with unique data analytics and strategic expertise, to accelerate the global availability of life-changing treatments. By partnering with Illexcor, the Company reaffirms its commitment to improve health outcomes for the millions affected by SCD worldwide, demonstrating the vital role of technology and partnerships in expanding access to healthcare.

Feldan Therapeutics

Zydus has partnered with Feldan Therapeutics in an effort to harness cutting-edge technology for intracellular drug delivery. The collaboration focuses on leveraging Feldan's innovative Shuttle peptide technology, which promises to improve the quality of life for patients with basal cell carcinoma and respiratory diseases through targeted, non-surgical therapeutic options. By joining forces, they aim to bridge critical healthcare gaps and propel the development of next-generation treatments. This partnership exemplifies the Company's dedication to integrating strategic expertise and pioneering innovation, ensuring patients receive the care and treatment they deserve.

Partnerships with Government and Global Collaborations

The Company actively engages with governments, national medical bodies, international organisations to improve access to healthcare and align its initiatives with broader public health goals. In India, the Company works closely with INASL and ISG to support policy development, update treatment guidelines, and contribute real-world data and clinical insights—particularly in the areas of MASLD, IBD, and viral hepatitis. Contributions have supported the inclusion of MASLD in the National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Disease and Stroke (NPCDCS) guidelines under the Government of India's non-communicable disease strategy. Zydus is also aligned with global efforts, including the WHO's goal to eliminate viral hepatitis by 2030, and is a proud member of the Coalition for Global Hepatitis Elimination and the Global Non-Alcoholic Steatohepatitis (NASH) Council. In nephrology, the company has partnered with the Indian Society of Nephrology and the International Society of Nephrology to launch the digital awareness campaign 'Life ka Filter' for early detection of chronic kidney disease (CKD).

In the field of vaccines and biologics, Zydus collaborates with the Universal Immunisation Programme (UIP) of the Government of India to enhance vaccine access. Notably, its work with the World Health Organisation (WHO) has enabled the introduction of TwinRab, a novel rabies monoclonal antibody cocktail, to bridge the gap in rabies passive immunisation. The Company continues to support the National Action Plan for Rabies Elimination, reinforcing its commitment to public health.

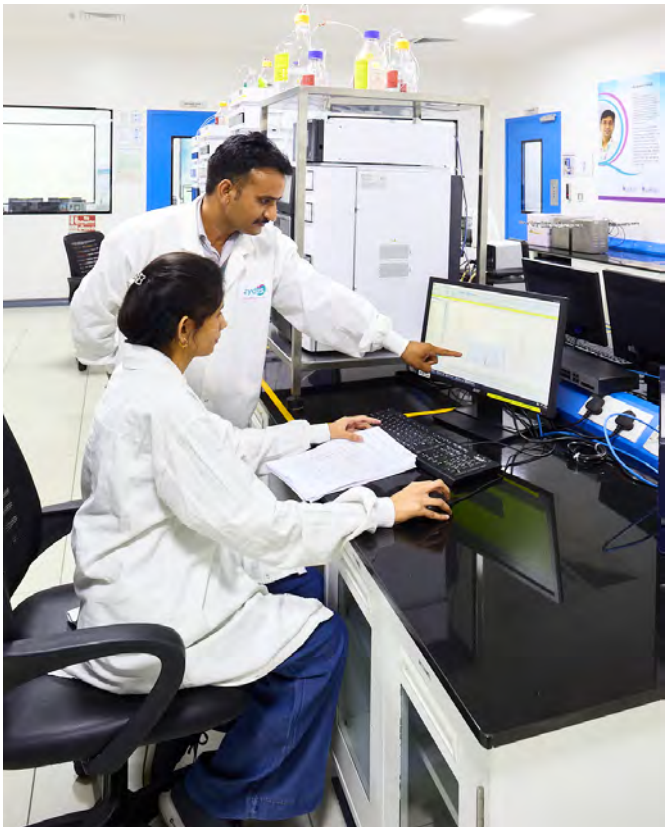
Collaboration with Healthcare Professionals

The Company's collaboration with health-tech companies and other stakeholders enables the harnessing of digital innovation across various healthcare initiatives. These partnerships enhance patient engagement, strengthen clinical outcomes, and drive operational excellence. In efforts to support patients with MASLD, a partnership with TatvaCare has been established to roll out a dedicated Patient Support Programme. In the nephrology space, Zydus is leveraging digital platforms such as:

- **Zydoogle:**An internal tool for improved customer profiling and inclinic engagement
- **Evalus by TatvaCare:** Facilitates anonymised data collection for post-marketing studies
- **Awarathon :**An AI-enabled platform that enhances field force training through simulated role-plays

In the international market, the Company's collaboration with healthcare professionals is structured through various pioneering events that cater to different medical disciplines. The Cardiologists' Pioneer Event acts as a crucial platform for advancing cardiology by promoting collaboration and disseminating cutting-edge research. Over its eight editions, it has successfully engaged more than 500 in-person participants and 2,000 virtual healthcare professionals, with an additional outreach of 3,000 through post-event activities across the Asia-Pacific and Africa. The focus of this event is on exchanging knowledge and tackling critical challenges to enhance patient outcomes.

Similarly, the Neurology and Psychiatry Pioneer Event is designed to explore advancements and share research in the fields of neurology and psychiatry. It aims to foster collaboration and address challenging issues in these fields, thus improving patient care and advancing neurological sciences. By involving over 1,200 healthcare professionals from Asia, Africa, and Latin America, this event makes a significant impact on global healthcare practices. Lastly, the Orthopaedics Pioneer Event is tailored specifically to provide a forum for exploring insights into pain research and management. This event facilitates the exchange of innovative ideas and strategies in orthopaedic medicine, drawing participation from over 1,000 healthcare professionals across Asia, Africa, and Latin America.



Research and Development Initiatives for Affordable Healthcare

Zydus focuses on innovative research and development strategies to enhance healthcare accessibility. By addressing critical needs through sustainable solutions, it aims to ensure the availability of essential medications at affordable prices, thus improving health outcomes for underserved populations. Zydus' research and development efforts encompass:

LiqMed: Innovative Liquid Oral Solutions

Committed to advancing healthcare accessibility in emerging markets, Zydus develops liquid oral solutions that are both affordable and easy to consume. Focusing on the unmet needs of geriatric and paediatric patients with dysphagia, the R&D and manufacturing facility in the United Kingdom employs advanced techniques to produce challenging formulations. This dedication ensures vulnerable populations receive the essential medications they require.

Pioneering Generics: Ensuring Affordable Drug Supply

Zydus' pioneering approach in generic drug development leverages state-of-the-art capabilities to introduce cost-effective generics promptly following the expiration of innovator product patents. This strategy guarantees the availability of life-saving medications at reduced costs in emerging markets, addressing critical healthcare needs. Recent successful launches of affordable generic versions of Apixaban and Mesalamine in the UK, Brazil and Italy exemplify this dedication to making vital treatments accessible to all.

India's First Oral Therapy for Anaemia

Zydus' research and development efforts have yielded significant outcomes, exemplified by Oxemia® (Desidustat), India's first oral therapy for anaemia associated with CKD. This cost-effective alternative to injectable erythropoiesis-stimulating agents (ESAs) eliminates the need for cold chain logistics, offering a practical solution in tropical climates such as India. Till date, Oxemia® has benefited over 65,000 CKD patients across the country, including those not undergoing dialysis and those with hard-to-treat anaemia. The Company is also actively collaborating with strategic partners to expand access to vaccines and biological products across both emerging and developed markets, enhancing the global availability of essential healthcare interventions.

Healthcare Accessibility through Innovative Biosimilars

Ujvira stands as the world's first biosimilar of the antibody-drug conjugate Kadcyla®, designed for breast cancer treatment. This brand was launched to enhance accessibility and affordability, allowing a broader range of patients to receive treatment that was previously cost-prohibitive. By offering a more affordable alternative to the innovator drug, Ujvira now benefits over 4,000 patients annually.



Outreach and Awareness Initiatives for Patients and Healthcare Professionals

Zydus engages in advancing educational and health outcomes for the public, patient groups, and healthcare professionals through comprehensive awareness initiatives. These sessions cover a variety of medical conditions, including hypertension, liver care, diabetes, gastrointestinal diseases, cancers, inflammatory diseases, nephrology, and cardiology. Furthermore, screening camps are organised to facilitate the early detection of diseases such as breast cancer, MAFLD, MASH, osteoporosis, and arthritis.

The dedication extends to enhancing local healthcare capacities within countries with a particular emphasis on patient education and awareness building. A digital platform dedicated to epilepsy has been introduced, along with insightful webinars focusing on mental health education and preventative measures. Comprehensive patient education programmes targeting diabetes, obesity, and related health risks have been implemented, complemented by annual health awareness events celebrating global health observances. Collaboration and knowledge exchange are fostered through organised conferences and workshops, enhancing expertise in specialised medical fields. As part of the community health initiatives, essential health education and screenings for various medical concerns are provided, ensuring a holistic approach to patient care and awareness.

Various health-tech organisations are currently working on initiatives such as post-marketing safety studies, observational behavioural studies, communication effectiveness assessments, and targeted access projects. These efforts also extend to digital product advertising and a robust social media presence aimed at creating large-scale awareness. Through these collaborations, the reach and impact of healthcare solutions continue to expand.

Patient Awareness Programmes with a focus on Prevention and Diagnosis

Oncology

Breast cancer awareness

Easiest Exam

Key Programmes

- Podcasts with HCPs and cancer survivors (feat. influencer Tahira Kashyap).
- PR campaigns in print media to normalize early cancer checks.
- A coffee table book with 100+ inspiring patient stories.
- Anaya App: A patient care app for breast cancer, assigning a Care Navigator to guide each patient throughout their journey.



Dr. Senthil Rajappa

Liver diseases

Liver health awareness

#LiverKiSuno

Key Programmes

- Awareness Programmes on Fatty Liver, Viral Hepatitis and Healthy Liver.
- Ayushman Screening Camps deployed on Global Fatty Liver Day and other key occasions.
- Annual All India Painting Competition to promote liver health awareness among the public.
- Patient Webinars offering lifestyle guidance and promoting treatment adherence.
- Digital Platforms for Disease Awareness:

  NASH24X7 – Focused on MASLD education and KOL interaction.

  Exemptia Care IBD – A platform for inflammatory bowel disease awareness.

  Liver Care Partnership – Supporting viral hepatitis education and outreach.

- Viral Hepatitis Screening camps
- Fibro Liver scan camps
- Bone Mineral Density camps



Impact Through Ayushman Liver Initiative

In collaboration with hepatologists and gastroenterologists across India, the Company's Ayushman Liver initiative focuses on building awareness and enabling early screening for MASLD.

Key outcomes

- 19,700+ liver screening camps conducted
- Over 1,90,000 individuals screened for MASLD
- 3,000+ in-clinic and out-clinic programs enabling timely counselling and intervention



Dr. Sanjay Agarwal, Dr. Priya Ballani, Dr. Altamash Shaikh, and Dr. Usha Ayyagari

The ROCCO Project

Through a partnership with Rotary and Indian National Association for the Study of the Liver (INASL), Zydus supports the ROCCO Project, a community-based initiative aimed at identifying and counselling obese children in primary schools—playing a critical role in the prevention of MASLD at an early stage.

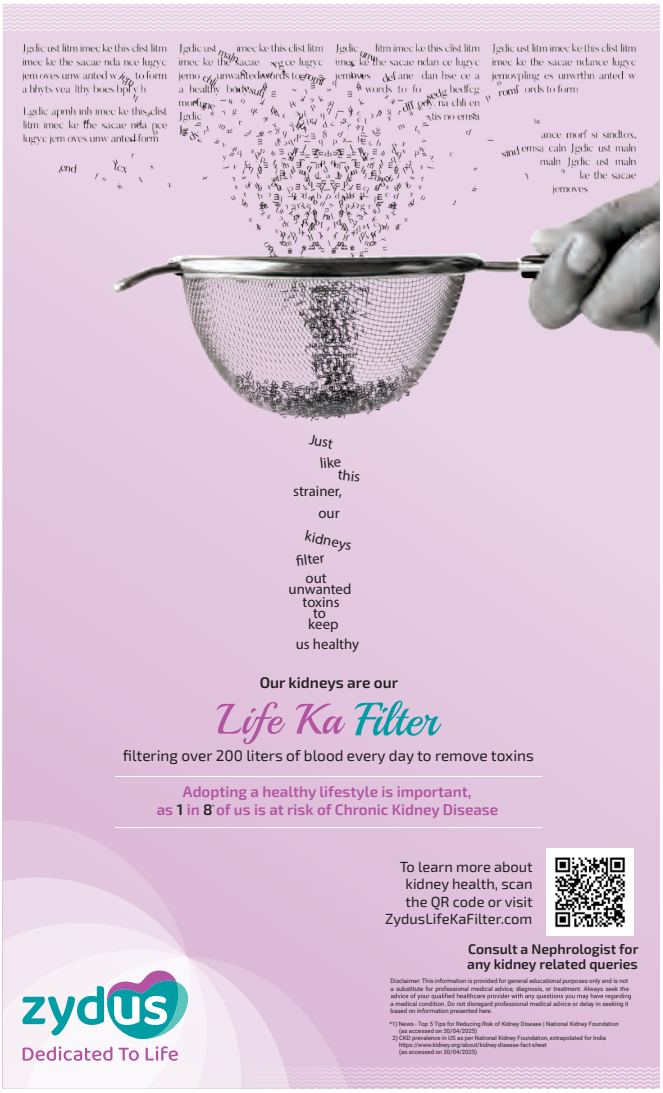
Nephrology

CKD awareness *Life Ka Filter*

The Company's ongoing 'Life ka Filter' campaign, in partnership with International Society of Nephrology (ISN), features expert-led podcasts, educational tools, and public outreach to improve awareness on kidney health. The campaign has received highly positive feedback and continues to grow its national impact.

Key Programmes

- Sponsor of World Kidney Day, 2025 campaign by International Society of Nephrology
- Educational podcasts on kidney health.
- On-ground doctor–patient programmes to build awareness.
- A coffee table book highlighting warrior stories.
- A dedicated mobile app and website with a food scanner and discounted diagnostic tests.





Dr. Sanjeev Gulati and Dr. Dharmendra Bhadauria



Prof. (Dr.) Dinesh Khullar

Nephrology Leadership: South Asia's First HIF-PHI Consensus

Zydus collaborated with the George Institute for Global Health–India and the Indian Society of Nephrology to co-develop South Asia's first consensus document on the appropriate use of *HIF prolyl hydroxylase inhibitors (HIF-PHIs) for anaemia in CKD patients. This effort brought together leading Nephrologists across India, Bangladesh, Bhutan, Nepal, Pakistan, and Sri Lanka to promote standardized, evidence-based practices.

Nephrology- Transplant Treatment (adherence / compliance and rehabilitation)

Key Programmes

- World Organ Donation Day Awareness
- Living well with Chronic Kidney Disease
- Anaemia - Webinar series for patients in collaboration with Kidney Warrior Foundation



Padma Shri Dr. Sandeep Guleria

Immunization

Key Programmes

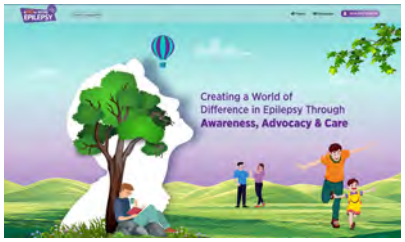
- Improving Immunization rate (IIR) Initiative.
- Vaccine awareness through in-clinic art competition.

Epilepsy

Reducing Stigma through Awareness

Know More Epilepsy

The Know More Epilepsy initiative is dedicated to enhancing patient awareness and understanding of epilepsy. Through a tailored digital portal, this programme actively engages individuals living with epilepsy, providing essential information on the condition and strategies to diminish societal stigma. By helping to build a supportive community and encouraging dialogue, **Know More Epilepsy** aims to improve the quality of life for epilepsy patients and promote broader acceptance.



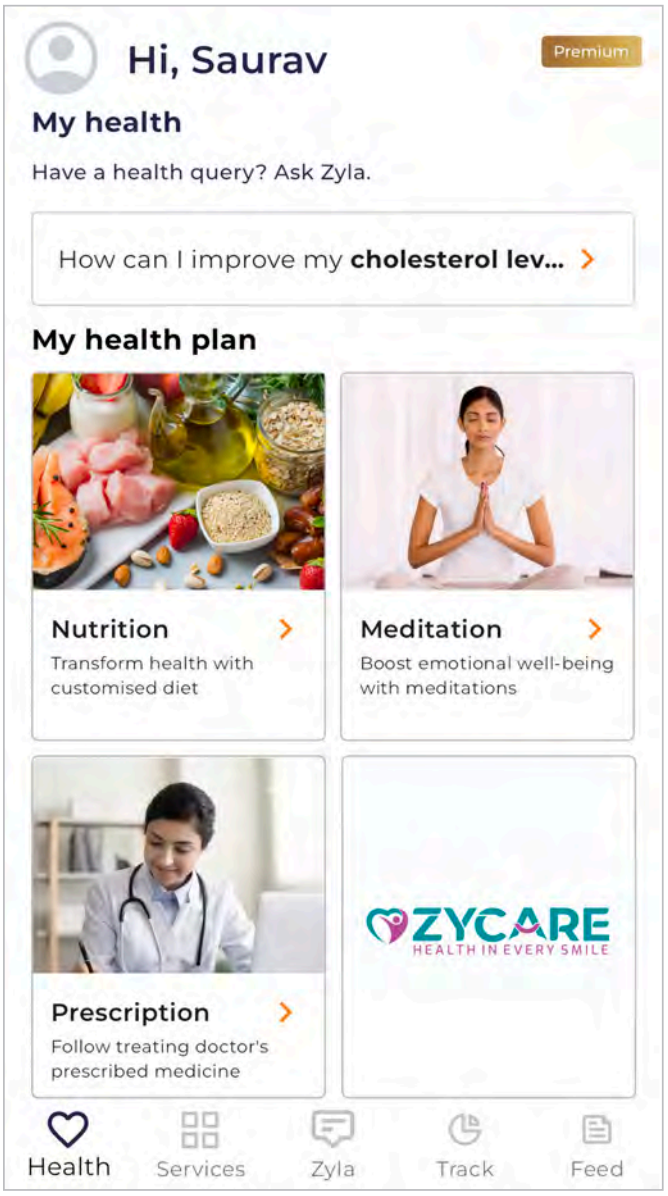
Diabetes and CVD

AI-Powered Lifestyle Modification Programme

ZYCARE HEALTH IN EVERY SMILE

Zycare is a cutting-edge lifestyle modification programme designed specifically for patients managing Type 2 diabetes and cardiovascular diseases. The programme integrates an AI-powered chatbot with professional support services encompassing nutrition, exercise, and meditation guidance.

By leveraging advanced artificial intelligence, Zycare empowers patients to make informed health decisions and improve their well-being through personalized, real-time assistance.



Social Capital

Social capital is driven by the visionary ideals of the Founder Chairman, founded on a rich legacy of innovation, education, healthcare, and community engagement. With the support of the Corporate Social Responsibility (CSR) initiatives, the Company actively sustains healthier communities by addressing unmet healthcare, skill development, and environmental needs while advancing education and research and engaging in meaningful societal outreach.

These efforts demonstrate the Company's dedication in making socially responsible contributions that enhance the well-being of communities and lead their development agendas.



Performance Highlights

4,328 hours
of employee volunteering

7,042
total employee volunteers

INR 639.61 mn
total CSR expenditure

4,87,252
direct impact beneficiaries

23,73,125
indirect impact beneficiaries

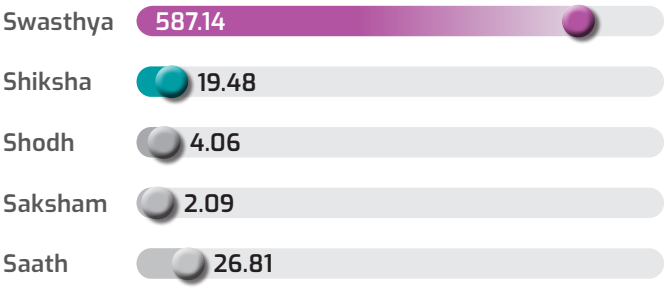


Our CSR Mission

The CSR policy of Zydus reflects the aim to build resilient and healthy communities to advance global health. The policy is aligned with Schedule VII of the Companies Act, 2013 and is guided by the Board of Directors with the CSR and ESG Committee. The policy also outlines a strategic framework for selecting, implementing, and monitoring CSR activities, ensuring they align with Zydus' mission to nurture healthier communities globally. The CSR initiatives are exemplified through the Zydus Srishti CSR programme, which is driven by five strategic pillars, illustrated here. The flagship programmes, structured around these five key pillars, aim to create a positive societal impact in alignment with the Sustainable Development Goals (SDGs).

The Company implements its community initiatives either directly or through esteemed registered trusts, such as the Ramanbhai Foundation, the Zydus Foundation, and other recognised NGOs.

CSR Expenditure (in INR mn)



Key Strategic Pillars

SWASTHYA

Transforms healthcare, ensuring access to quality services and promoting well-being.

SHIKSHA

Drives excellence in education, providing equitable access and nurturing future leaders.

SHODH

Promotes research and innovation, catalysing breakthroughs to address societal challenges.

SAATH

Fosters community initiatives that contribute to environmental sustainability and awareness initiatives.

SAKSHAM

Enhances skills for better livelihoods.



Community Engagement Strategy[2]

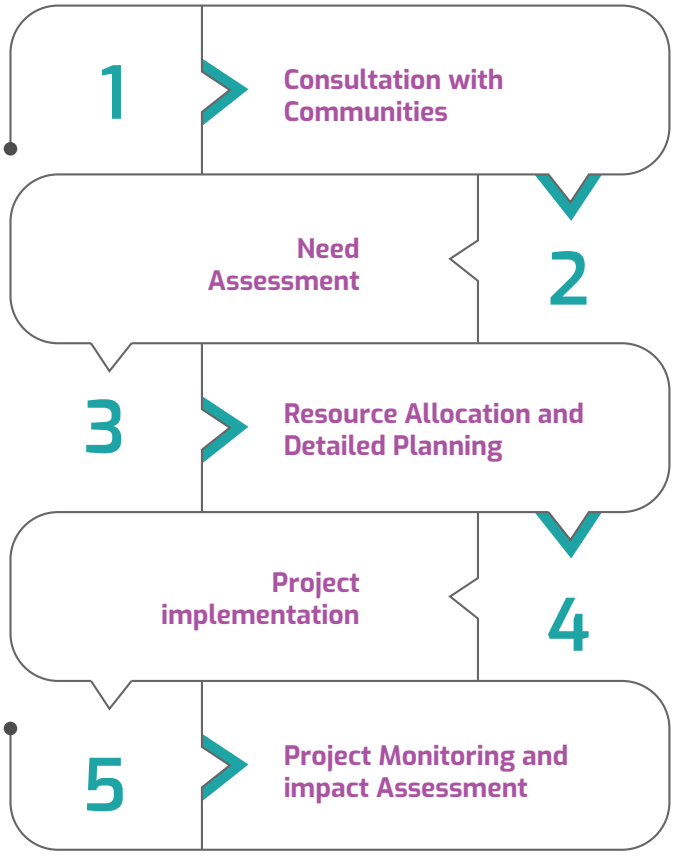
The Company's engagement strategy is based on identifying and responding to the needs of the communities it serves.

Continuous Risk Assessments & Flexible CSR Strategy	Regular risk assessments enable the organisation's CSR strategy to remain adaptable to evolving community needs.
Engagement through Dialogue	The organisation communicates openly with the community to ensure its programmes address community needs. Its engagement channels include: • Regular Meetings • Emails • Weekly Reports

For specific CSR projects, such as Zydus Medical College and Hospital (ZMCH) and those associated with education, watershed management, skill development, and environmental initiatives, the monitoring teams coordinate with the implementing partners to ensure alignment with community needs.

Empowering Programmes through Community Engagement

The community engagement process involves the following steps:



[2]GRI 413-1

Thorough need assessments are carried out by collaborating with communities to create programmes aligned with local goals, ensuring that efforts stay both effective and meaningful.

Case Study:

Sewing to Beauty Parlour Course

When team initially proposed offering a sewing course, the distance to the training centre proved to be a significant obstacle for women.

In response, the women recommended transitioning to a beauty parlour course, a modification that more appropriately addressed their needs.

Case Study:

Building Health-Focused Educational Spaces

In the Company's initiative to educate students on menstrual hygiene, the community raised significant concerns regarding inadequate toilet facilities and the absence of bathing areas for girls.

This crucial feedback led to the construction of new toilet blocks, benefiting 1,500 girls.

These examples demonstrate the Company's dedication to refining programmes in response to community feedback in order to create a bigger impact.

Community Initiatives[3]

SWASTHYA

- Zydus Medical College and Hospital
- Hygiene and sanitation facilities
- Supporting TB patients



SHIKSHA

- Introducing STEM labs at schools
- School redevelopment programme
- Scholarship programme
- Education support for specially-abled students



SHODH

- Zydus Innovation Programme



SAATH

- Green Gujarat initiative
- Zydus Watershed Project: Advancing water sustainability in Gujarat and Maharashtra



SAKSHAM

- Skill Development for specially-abled students
- Skill Development for underprivileged women/girls in Gujarat
- Platform for grassroot-level organisations



[3]GRI 413-1

SWASTHYA



Zydus Medical College and Hospital - Transforming Rural Health Landscape

Zydus Medical College and Hospital (ZMCH) in Dahod, Gujarat was established to address the pressing healthcare needs of tribal and underserved communities in one of India's most backward districts. Previously, inadequate medical infrastructure forced residents to seek basic healthcare in Godhra, Gujarat. Since its inception, ZMCH has significantly transformed the region's healthcare landscape by providing free medical services. The state-of-the-art hospital operates as a self-financed, brownfield medical college under a Public-Private Partnership (PPP) with the Government of Gujarat, in alignment with the state's Health Policy of 2016. The institution plays a crucial role in nurturing medical talent, and generating local employment, thereby significantly improving the region's health indicators.

Academically, Zydus Medical College in Dahod, offers Bachelor of Medicine, Bachelor of Surgery (MBBS), to an estimated cohort of 200 students yearly and postgraduate programmes to more than 60 students. Today, 1000 students are studying MBBS and 350 have completed their MBBS. Integrating the college with local hospital provides opportunities for students to pursue medical education locally, thus honing and preparing health care professionals to get familiarity with community-specific challenges. This initiative addresses the shortage of healthcare providers and enhances care quality by training graduates who understand native health issues and cultural contexts.

The college implements a 'Family Adoption Program' where students adopt local families during their internships, bridging the gap between the community and the hospital. To date, over 2,650 families have been adopted by five undergraduate cohorts.

Impact

- From a modest single-storey structure, the hospital has evolved into a state-of-the-art facility spanning 58,033 sq. m. across seven floors.
- Capacity has expanded from 150 to 1,034 beds, including 118 intensive care unit (ICU) beds.
- Number of specialist doctors increased from 15 to 197 and nursing staff from 25 to 434.
- Treats over 400,000 patients annually, extending its reach to neighbouring districts in Rajasthan and Madhya Pradesh.
- Equipped with advanced diagnostic laboratories, a dialysis centre, and imaging services such as CT scans and MRIs.
- Provides a comprehensive range of medical services entirely free of charge, including General Medicine, Surgery, Obstetrics, Gynaecology, Paediatrics, Pulmonology, Psychiatry and Orthopaedics.
- In 2024, Zydus Medical College expanded its annual intake to 78 students across 16 specialties, up from 63 in 11 departments in 2023.

Free Medical Services	FY 2024-25	Since FY 2017 till date
OPDs conducted	4,20,646	23,63,585
IPDs attended	44,176	2,58,232
X-rays conducted	1,73,562	7,04,352
USG tests conducted	36,796	1,88,301
Surgeries conducted	48,983	1,49,137
Microbiology tests conducted	2,65,667	11,07,431
Biochemistry tests conducted	18,21,609	60,83,308
Pathalogy tests conducted	19,11,296	87,78,715

> I visited numerous clinics for my child's persistent fever, but it was at ZMCH that the doctor accurately diagnosed it as jaundice. Thanks to their expert care, my child is healthy now, and we trust ZMCH completely.
>
> **— Dimplaben Parmar (Project beneficiary) Dahod, Gujarat**



Case Study 1

Challenge:

A 15-year-old girl from Dahod district was brought to ZMCH with persistent abdominal pain, eventually diagnosed with Rapunzel Syndrome—a rare condition resulting from Trichophagia, where a large hairball (trichobezoar) extended from her stomach to her small intestine.

Zydus Intervention:

Surgeons at the hospital successfully carried out a complex operation to remove the 90 cm hairball from the patient's gastrointestinal tract, which alleviated her pain and avoided further health risks. Post-operative care was provided to ensure a smooth recovery. Additionally, psychiatric counselling was offered to address the behavioural aspects of Trichophagia, aiming to prevent recurrence and support the patient's mental health.

Impact and Success:

- Complete removal of the trichobezoar alleviated the patient's symptoms.
- Counselling addressed underlying behavioral issues, reducing the risk of recurrence.
- The case highlighted the hospital's expertise in managing complex conditions through integrated medical and psychological care.



ઝાયડસ હોસ્પિટલમાં વાળ ખાવાની ટેવ ધરાવતી ૧૫ વર્ષની તરૂણીના પેટમાથી ૯૦ cm લાંબી વાળની ગાંઠ કાઢવામાં આવી

વાકશકિત, દાહોદ તા.૨૪

દાહોદ જિલ્લાના એક આંતરિયાળ વિસ્તારમાં રહેતી એક ૧૫ વર્ષની તરૂણીને પેટમાં દુખવાની તખલીફ લાંબાસમય થી રહેતી હતી. દર્દીના માતાપિતા એ ઝાયડસ હોસ્પિટલમાં બતાવતા હોસ્પિટલમાં તેના બધા રિપોર્ટ કરાવતા માલૂમ પડયું કે દર્દીને પેટમાં વાળની ગાંઠ છે. તરૂણી ને લાંબા સમયથી પોતાના વાળ

દ્વારા કાઉન્સેલિંગ પણ કરવ્યું છે. આ ઓપરેશનમાં સર્જીકલ વિભાગના ડોકટર મધુકર વાઘ ડોકટર કમલેશ ગોહિલ, ડોકટર રાહુલ પરમાર, ડોકટર ઊર્મિલ લબાના, ડોકટર શિવાંનગી ડાંગી તથા એનેસ્થેટીસ્ટ ડોકટર કરન કલવાની નો સફળ ફાળો રહ્યો છે. તબીબો દ્વારા જણાવ્યા અનુસાર આ એકપ્રકારની માનસિક બીમારી છે જે ભાગ્યે જ જોવા મળે છે જેને

Case Study 2

Challenge:

A 37-week pregnant patient from Alirajpur with sickle cell anaemia developed severe postpartum haemorrhage (PPH) after a normal delivery. She presented multiple vaginal and cervical tears, leading to critical blood loss and necessitating urgent medical intervention.

Zydus Intervention:

The Zydus Hospital team acted quickly to stabilise the patient. They repaired the vaginal and cervical tears, performed intubation, and managed her condition with a rigorous blood transfusion regimen, including Fresh Frozen Plasma (FFP), Packed Cell Volume (PCV), and Cyroprecipitate (CRYO). The patient was supported with ventilator care for about 15 days, allowing for careful recovery from both PPH and sickle cell-related complications.

Impact and Success:

Following intensive treatment and monitoring, the mother made a complete recovery after a month, and both she and her baby were healthy upon discharge.



Hygiene and Sanitation Facilities

Zydus is dedicated to enhancing community well-being. Through its 'Sanitation Project'—a partnership with the Mukesh Patel Charitable Trust—the organisation is building separate restroom and drinking water facilities for boys and girls in rural schools across Maharashtra. At present, toilet blocks are under construction at five schools in Shirpur taluka, Dhule district, with the goal of setting a benchmark for sanitation initiatives in rural areas.

Impact

- Benefited 4,000 students by promoting regular school attendance, particularly among girls.
- Enhanced safety and hygiene, creating a healthier educational setting.
- Supported gender equality through improved sanitation facilities.

Supporting TB Patients

Zydus proudly supports the government's "TB Harega Desh Jeetega" programme, which is focused on combating tuberculosis (TB) through comprehensive resources and support. The initiative involves providing essential nutrition kits to TB patients in the Padra block, ensuring they receive the dietary support necessary for a robust recovery. These kits are meticulously designed to boost immunity and aid in long-term disease management. By enhancing patients' physical wellbeing, the Company contributes to the national goal of eradicating TB and align with the government's vision of a healthier, TB-free India.



Zydus Red Cross Experience Centre

In collaboration with the Red Cross, Zydus has launched the Navah Experience Centre in Ahmedabad, an innovative hub that combines art, technology, and education to promote blood and organ donation awareness. Through immersive art installations and digital media, Navah offers a visually engaging experience designed to inform and inspire the community about the importance of donation. This fully accessible centre leverages advanced digital tools and storytelling to captivate visitors and encourage informed decision-making.

Impact

- Fostered community involvement by hosting educators, students, health workers, and dignitaries.
- Promoted accessibility and inclusion, offering facilities that accommodate people with disabilities.
- Boosted engagement among youth and students, creating early awareness of the responsibilities of donation.
- Over 2,400 people were sensitised to the importance of blood and organ donation through a compelling storytelling approach.
- Attracted tourists and visitors, generating economic benefits for local businesses and services.

Voices That Matter

"Visiting NAVAH felt like experiencing a seven-star facility."

"The centre is inspiring and innovative."

"NAVAH leaves a lasting impression of excellence and innovation."

– Visitors

SHIKSHA



School Redevelopment Programme

The School Redevelopment Programme was initiated to transform a deteriorating secondary and higher secondary school in Changodar, Gujarat, into a safe, inclusive state-of-art school with a supportive learning environment. This initiative provided students with a solid foundation for pursuing higher education and achieving their aspirations. The enhanced school infrastructure now includes ten well-ventilated classrooms, a dedicated staff room, a computer laboratory for experiential technological learning, and a playground that cultivates physical wellbeing. By upgrading the school's facilities, an academic setting conducive to excellence was established, empowering students to realise their full potential.

Impact

- Attendance increased by 20-25% due to improved school facilities and environment.
- 100% of students utilised smart boards, computer labs, and digital tools, enhancing their learning experience.
- Increased enrolment from families who previously chose private schools, indicating a shift in perception about the quality of government education.
- 90% of students reported better access to educational materials and resources.
- Provided underprivileged children access to high-quality facilities, comparable to private schools.
- 95% of students reported clean drinking water availability and overall cleanliness.

Voices That Matter

"My child enjoys using the new science and computer rooms immensely, and the cleaner environment has positively affected his studies. With improved facilities like the playground and sports area, there's more interest and happiness. The strong wall around the school provides added security, making it safer. Our child studies well and is very happy with these changes."

— Mukeshbhai Parmar,
Parent of a 9th Grader

"I am extremely pleased with the school's infrastructural development. The improvements have greatly enhanced the learning environment, leading to a better education for our children. I would rate it as 'Excellent' and confidently recommend the school to other parents based on these remarkable improvements."

— Pravinbhai Chauhan,
Parent of an 11th Grader

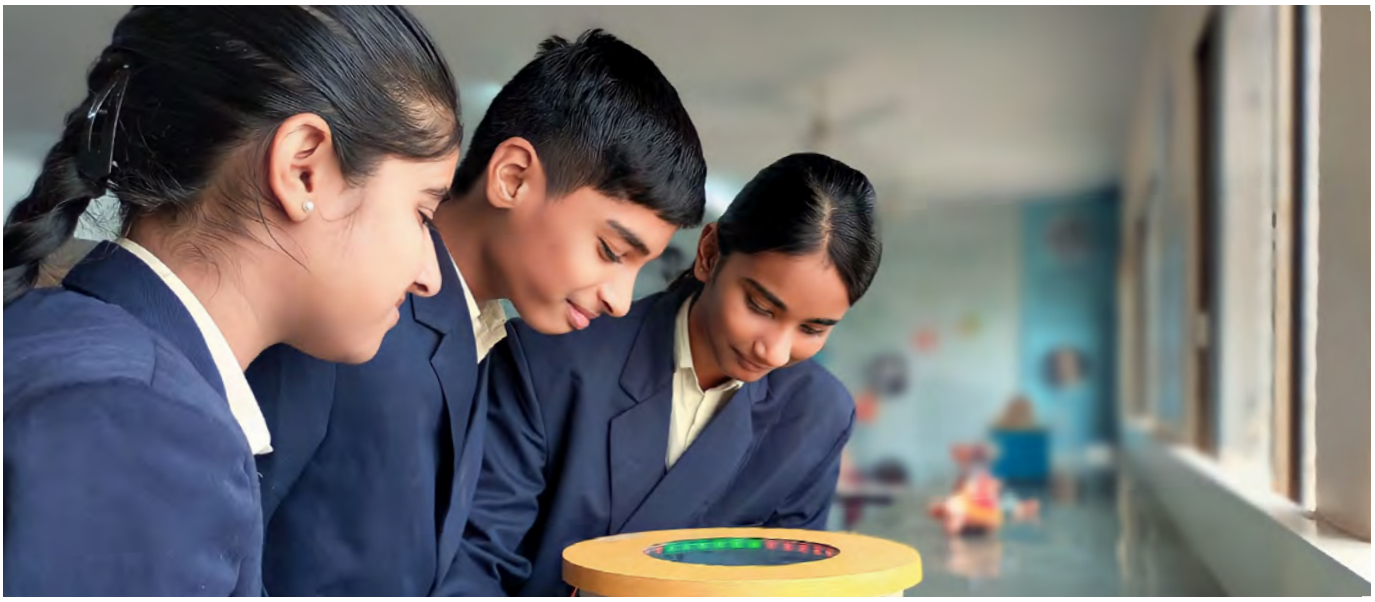
Introducing STEM Labs at Schools

To enhance experiential learning in science and mathematics, a state-of-the-art STEM laboratory has been established. This facility is designed to bring core subjects such as Physics, Mathematics, and Biology to life through interactive models and practical demonstrations. The initiative has made complex theoretical concepts more accessible and engaging for the students, cultivating an environment of curiosity, innovation, and critical thinking. By creating a more interactive and stimulating educational setting, Zydus aims to nurture students' curiosity and innovation, thereby preparing them for future academic and career opportunities in STEM fields.

Impact

- Successfully transformed the educational experience of 600 students by creating an interactive and stimulating learning environment.





Scholarship Programme

Zydus is committed to promoting educational equity by providing scholarships to meritorious and underprivileged students through various channels. Shri Ramanbhai - IPA Scholarship programme, in collaboration with the Indian Pharmaceutical Association, aims to help meritorious students who lack adequate social and economic backing to complete their courses.

Impact

- Zydus has provided support to 200 students from 25 pharmacy colleges across India, enabling them to successfully complete their four-year pharmacy programme.
- The tribal scholarship programme has been instrumental in assisting deserving MBBS and engineering students by covering their lodging and boarding expenses.





Education Support for Specially abled Students

Zydus proudly supports residential students at the Deaf and Mute School through Project Sarvangi, an initiative that has significantly boosted their confidence and motivation in collaboration with Orjet Foundation. This initiative has ignited communication, nurtured self-expression, and forged meaningful peer connections. Qualified subject teachers have been appointed to conduct regular higher secondary classes throughout the year, aiming to enhance academic performance. Physical education instructors were appointed for students who are deaf and mute to ensure inclusive access to sports and physical development.

Impact

- Project Sarvangi has transformed hesitant learners into confident, communication-empowered, motivated and ready to thrive learners and has laid a lasting foundation for academic success.
- The school achieved an impressive 88.8% pass rate in 12th board examinations, reflecting the students' academic success and commitment.
- Sports initiatives resulted in students winning INR 40,000 in running events at MahaKhumbh.
- Four students earned silver medals in Badminton at the National Deaf Sports Championship



SHODH



Zydus Innovation Programmes

The Zydus Innovation Programmes, powered by Zydus and the Gujarat Grassroots Innovation Augmentation Network (GIAN), has significantly empowered innovators by providing a platform for showcasing their ideas, thereby enhancing visibility and recognition. This year, the programme attracted 71 registrations across diverse sectors, including Healthcare, Environment, Energy, and Technology—areas pivotal for addressing grassroots challenges and advancing sustainable development. Through this initiative, innovators have developed groundbreaking solutions that contribute to improved healthcare outcomes, environmental sustainability, energy efficiency, and technological advancements.

The comprehensive support, encompassing mentorship, funding, and essential resources, has been instrumental in assisting innovators to refine their concepts and successfully bring them to the market.



Noteworthy Innovations

Billion Carbon Transforming Food Waste into Value

Ankita and Nikhil Vijayvergiya, BITS Pilani alumni, founded BillionCarbon to tackle the global food waste crisis with a scalable solution.

Traditional methods like landfilling are inefficient, leading to their breakthrough 3-day Precision Food Waste Treatment Technology. This innovation uses a Micro-Climate Controlled Bioreactor for rapid aerobic decomposition, converting food waste into nutrient-rich biofertilizer. It addresses 1.3 billion tons of annual waste and enhances soil regeneration, reducing biomass by 95%. Despite challenges, their cost-effective, IoT-enabled system supports a zero-waste economy and saves businesses significantly. With 1 million kg of waste treated and a 50% female workforce, BillionCarbon is reshaping sustainable waste management.

Intelligent Bone Biopsy Device

Dr. Raghavendra Bhalerao, Dr. Krupa Shah, and Mr. Kaushal Panchal have developed an automated bone biopsy device to enhance diagnostic accuracy for bone cancer.

Combining expertise in spatial technology, engineering, and healthcare, this device overcomes the limitations of manual biopsies, which can be imprecise and risky. It features motorised precision with sensors for accurate tissue extraction, minimising patient discomfort and procedural variability. Despite challenges in development, they created a functional prototype using reverse engineering. The device, patented in India, has been showcased internationally and supported by Institute of Infrastructure Technology Research and Management (IITRAM) and iHub grants. Future plans include tele-robotic capabilities for remote operation, promising safer biopsies and better patient outcomes.

Portable Dhoopan Yantra

Gaurav Sharma, a biomedical innovator, has developed the Portable Dhoopan Yantra to modernise Ayurvedic fumigation therapy for wound healing and infection control.

Combining Ayurveda with modern technology, the device offers a standardised, safe, and effective solution for clinical use. It features a medicated smoke delivery system, smart controls, and rechargeable power, making it suitable for diverse healthcare settings. Supported by clinical trials and expert collaborations, the device aims to integrate Ayurvedic practices into global healthcare, providing a sustainable, scientifically validated solution for infection management.

SAATH



Green Gujarat Initiatives

Seed Ball Campaign 2.0

In response to India's deforestation and tree shortages, Zydus launched Seed Ball Campaign 2.0, expanding reforestation efforts across 15 sites, including a major dispersal in Gandhinagar, in collaboration with the Gujarat Forest Department.

By enhancing green cover and biodiversity, the company is actively contributing to ecological conservation and combating climate change.



Plastic Awareness Drive

Efforts are directed towards educating communities about reducing plastic consumption, recycling, and understanding the environmental impact of plastic waste. Initiatives include clean-up events, social media campaigns, and partnerships with local communities, universities, and schools.

On International Women's Day, 175 women employees participated in a cleanliness drive, collecting approximately 250 kg of plastic waste around Modasar Lake, thus contributing to a cleaner environment.



Plantation

The initiative is dedicated to increasing green cover through extensive tree planting drives in Ahmedabad. These efforts address environmental concerns, aiming to boost urban biodiversity, improve air quality, and enhance climate resilience. By planting native trees in strategic locations, long-term ecological benefits are ensured, and community involvement in environmental sustainability is encouraged.



Solar Rooftop

Solar panels with a 37 kW capacity have been installed on the rooftop of a school dedicated to specially abled students. The amount saved owing to the on-site solar system, will be allocated to support the educational needs of these students.



Watershed Project

Launched Zydus Watershed Project for water availablity and quality water in 16 water stressed villages through recharge bandharas, ponds, wells, and Nala widening in Gujarat and Maharashtra.



Watershed Project: Promoting Water Sustainability in Gujarat and Maharashtra

The Zydus Watershed Project has been initiated in 11 villages of Gujarat and five villages of Maharashtra to address water scarcity and promote agricultural sustainability. This project encompasses the construction of recharge bandharas, community ponds, farm ponds, percolation wells, and gabions with core walls. It also includes repairing check dams and widening canals to enhance groundwater levels and ensure consistent water availability for agricultural practices. With a focus on enhancing water management, the project will run for three years, targeting the construction of around 300 structures. Beyond infrastructure development, the project emphasizes community engagement and capacity building, empowering residents with sustainable water management practices to secure long-term benefits through implementing partners, Action for Food Production (AFPRO) in Gujarat and Mukesh Patel Charitable Trust in Maharashtra.



Impact

- A total of 86 water harvesting structures have been successfully established, which collectively possess a groundwater recharge capacity of 11,05,595 kilo Liters (110.5 crore Liters) supporting more than 4000 families.
- Bolstered agricultural productivity ensuring food security and enhancing farmer livelihoods.
- Restoration of landscapes and floodplains, nurturing biodiversity and supporting ecosystem services.

Case Study

Zydus -Watershed Project in Shirpur, Maharashtra

Challenge:

The Shirpur region in Dhule district, Maharashtra, faced significant challenges related to water scarcity, soil erosion, and poor water quality, which adversely affected agricultural productivity and the standard of living for local families. The need for effective water management solutions was critical to ensure sustainable agricultural practices and improve community wellbeing.

Zydus Intervention:

The project involved the construction of five Concrete Recharge Bandharas (CRBs) and the deepening and widening of the stream. These efforts were strategically planned based on hydrological studies and community needs, ensuring maximum impact. The construction process included site preparation, excavation, foundation laying, and concrete pouring, with reinforced cement concrete (RCC) and steel frameworks used to ensure durability.

Impact and Success:

The project successfully enhanced groundwater recharge, reduced soil erosion, and improved water quality, benefiting approximately 150 to 160 families. Each CRB site provided significant storage and recharge capacities, improving water access for drinking and irrigation. This led to increased agricultural productivity and enabled perennial farming, thereby elevating the standard of living for local families. Similarly, in Shirpur, Maharashtra, five structures have been developed, offering a recharge capacity of 2,50,000 KL (25 crore litres). These initiatives are poised to bolster agricultural productivity, thereby ensuring food security and enhancing the livelihoods of the farmers.



Case Study

Zydus - Watershed Project in Gujarat

Challenge:

The identified villages in the Viramgam and Mandal blocks of Ahmedabad district, Gujarat, faced significant challenges related to water scarcity and inadequate water management infrastructure. These issues adversely affected agricultural productivity and the overall quality of life for the local population, which comprises over 21,000 residents.

Zydus Intervention:

To address these challenges, key interventions included the construction of farm ponds, recharge shafts, and the desiltation of community ponds. In Ahmedabad, 81 structures were constructed within the Viramgam and Mandal blocks, boasting the potential to recharge 8,55,595 KL (85.5 crore litres) of groundwater.

Impact and Success:

The project successfully increased water storage and recharge potential, significantly improving water availability for agricultural activities. The interventions led to enhanced soil moisture conditions, better crop growth, and increased agricultural yields. The community's active participation in the project, including contributions to transportation and implementation efforts, promotes a sense of ownership and sustainability. The initiative not only improved water management but also empowered the local community with sustainable practices, aligning with broader goals of water productivity and efficiency.



Lake Beautification Project – Banganga Lake

The Lake Beautification Project, initiated by Zydus Lifesciences, aimed to rejuvenate Banganga Lake in Modasar village, Ahmedabad, Gujarat. This vital habitat for diverse species had fallen into a state of neglect and pollution. The project confronted challenges of environmental degradation, cultural disconnect, and community disuse. By implementing a holistic strategy—creating pathways, using gabion stones, and restoring ghats—the project sought to enhance accessibility, usability, and the visual appeal of the lake. These efforts significantly improved environmental quality and biodiversity, reported by nearly all respondents, and resulted in enhanced community engagement and social cohesion.

Voices That Matter

> Our village pond used to be in a really bad state. It was all dirty and smelly around there. But now, after building a brick wall around the pond, new washing areas, and a garden for the kids to play, it has been a huge help to our community. We are really grateful to the Zydus company for their kindness and hard work.

– Pravinbhai Solanki

Impact

- Restoration efforts greatly improved water quality and visibility noting cleaner water and a lack of foul odour.
- New pathways made movement around the lake easier. This transformation enhanced both physical and emotional well-being of the community
- De-silting and cleaning encouraged natural replenishment and biodiversity, evidenced by the return of species such as turtles and birds.
- The beautification attracted more visitors, with a reported 90% increase in footfall.
- The preservation of ghats and temples reinforced cultural identity and sanctity.
- Emerged as a focal point for environmental awareness, social interaction and collective community pride.



SAKSHAM



Skill Development for Specially abled Students

The initiatives at the Deaf and Mute School focus on enhancing employability and fostering self-reliance through practical training in mobile filmmaking and sewing. These skills create new career opportunities, facilitating greater integration into the community and enhancing social and economic participation. The programme has achieved significant milestones, demonstrating the effectiveness of hands-on learning in building confidence and practical abilities.

Impact

- Culinary arts training enabled students to prepare doughnuts and pastries for a Christmas event, enhancing confidence and practical skills.
- Sewing course participation by 100 students equipped them with garment-making and tailoring skills, broadening career prospects.
- Photography students documented events at the Ahmedabad Management Association, showcasing proficiency in photography.

Empowering Underprivileged Women through Skill Development Initiatives in Gujarat

The Skill Development Programme empowers underprivileged women in Gujarat by offering extensive training in organic soap making, food processing, beauty services, and jewellery making. This year, the programme has transformed the lives of 300 women in Vadodara and Ahmedabad, equipping them with skills to forge sustainable livelihoods.

Impact

- **Organic Soap Making:** The women participants produced approximately 8,000 organic soaps, fulfilling a significant commercial order valued at INR 4 lakhs. This accomplishment highlights the quality and marketability of products crafted by these talented individuals.
- **Specialised Training in Beauty Services:** With 30 girls receiving expert guidance in beauty parlour skills, many have established thriving home-based parlours, contributing to their household incomes and enhancing their communities' access to beauty services.
- **Food Processing Ventures:** In collaboration with Sewa Mahila Gram Haat, a groundbreaking food processing course was introduced in Sanand, Ahmedabad. Here, 120 women have mastered the craft of preparing snacks, jams, fruit juices, and traditional sweets, enabling them to serve the bustling industrial belt directly from their homes.

Baseline Insights

- 35 villages across Ahmedabad and Vadodara revealed a compelling demand among women, aged 18-45, to learn new livelihood skills.
- Younger women gravitated towards beauty parlour opportunities, those with a focus on home-based work found organic soap making, jewellery crafting, and food processing particularly appealing.

Endline Impact

- 250 women have acquired new skills, marking significant progress towards social entrepreneurship. These women are now better equipped to support their families financially.
- In Ahmedabad, 120 women are now preparing and selling food items from home.
- In Vadodara, women are selling handmade organic soaps and jewellery, while women trained in beauty parlour skills are earning within their communities.

Case Study

Organic Soap Making

Challenge:

Deepika Solanki, a 39-year-old resident of Dabhasa, Gujarat, faced significant financial constraints. Despite her efforts in managing household chores and dairy farming, the income from selling milk was insufficient. Her husband's contractual employment added to the challenge, making it difficult to support their family and children's education.

Zydus Intervention:

Deepika enrolled in the Zydus CSR Skill Development Programme, which focused on organic soap, face wash, and phenyl making. This training equipped her with valuable new skills and bolstered her confidence in entrepreneurship.

Impact and Success:

- Leveraging her newfound expertise, Deepika began producing and selling organic soaps.
- Within two months, she successfully sold over 900 soaps in Ahmedabad and Vadodara, significantly increasing her family's income.
- Motivated by her success, Deepika founded a Self-Help Group (SHG) and took on the role of the President of the SHG, further extending her entrepreneurial impact.





Case Study

Food Processing

Challenge:

Kajal Parmar, a young woman from a small village near Sanand, Ahmedabad, faced financial limitations due to her family's constrained income. Her parents, working as farm labourers, earned only Rs. 12,000 per month, making it challenging to support her siblings' education and meet household needs.

Zydus Intervention:

Kajal took a transformative step by enrolling in the food processing training programme offered by Zydus Lifesciences and Sewa Mahila Gram Haat. This initiative equipped her with skills in making snacks, sweets, juices, and her favourite mixed fruit jam, enhancing her confidence and entrepreneurial potential.

Impact and Success:

- Kajal mastered the art of food processing, enabling her to produce a variety of products.
- With her newfound skills, she began generating additional income, contributing significantly to her family's financial stability.
- Her earnings were directed towards providing her younger brother with a better education, with plans to enrol him in college.
- Kajal plans to invest in a flour mill machine for her home, further expanding her family's financial resources and entrepreneurial reach.





Beauty Parlour



Food Processing



Jewellery Making



Moblie Film Making



Organic Soap Making



Session on Livestock



Sewing Course



Teachers Training Programme

Platform for Grassroot Organisations

Zydus organised a festive bazaar at the Zydus Corporate Park, inviting various grassroots organisations from remote areas of Gujarat to participate. The event featured works by specially abled children and tribal artisans, celebrating cultural diversity to harness community engagement.



Employee Volunteering

At Zydus, employee participation in volunteering activities is actively encouraged as part of the company's CSR initiatives. Information about these opportunities is disseminated through email communications and direct engagement to improve involvement. Employee volunteer contributions are acknowledged and celebrated across multiple platforms, with recognition and rewards to further encourage participation.

Participants are awarded certificates, badges, and other accolades, promoting a sense of community and purpose while enhancing engagement and morale. The Employee Voluntary Programmes include health awareness sessions, tree planting activities, Diwali celebrations at schools and NGOs, cleanliness drives, and community services. The recognition programme is extended to include vendors, showcasing Zydus's inclusive approach.

Impact

- 7,042 employees participated in Employee Volunteer Programmes collectively dedicating 4,328 hours.
- Over 250 employee volunteers engaged in cleanliness and recycling drives in Gujarat villages, including Changodar, Modasar, Ahmedabad, and Umria, Vadodara.



Plastic Awareness Drive

Collection and recycling of plastics, and rewarding participants with certificates for their eco-friendly efforts.



NGO Mela

NGO Mela offers a platform for NGOs to showcase their work and promote meaningful collaborations with like-minded partners.



Save the Bird

Supported the 'Save the Bird' campaign by distributing clay pots to help birds stay hydrated and showcase Zydus' commitment to avian conservation.



Khushi Bazaar

Khushi Bazaar supports slum communities by donating and recycling clothes.

Future Outlook

Looking ahead, Zydus remains committed to championing sustainability through key focus areas such as environmental conservation, water resource management, and biodiversity preservation. The company will prioritize access to better healthcare, invest in skill development for the less privileged, and advance quality education and research. By supporting local communities and promoting collaboration, Zydus aims to drive impactful initiatives that contribute to building a better community and a sustainable future for everyone.



Awards & Recognitions

India's Best CEOs Award


Best CEOs

Patel Bets On Next-Level Patient Care

Focus on handholding patients through the disease cycle, a large pipeline of 300-plus molecules put Zydus ahead of the rest. By JOE C. MATHEW

C

We are trying to be with patients through their journey to make sure they have the right cure and stay on remission path.



Our Managing Director
Dr Sharvil P. Patel is the best CEO in the health and lifesciences sector as per Fortune India's recent survey – "India's Best CEOs of 2024."





Financial Express Pharma Summit & Awards for Pharma Company of the year – Large



Financial Express Pharma Summit & Awards for Awareness initiative of the year in Pharma (Easiest Exam campaign on Breast Cancer)



Most Innovative and Inventive Lifesciences Company of the year 2024' by GEEF Foundation.


सबेरा

Responsible Business of the year 2024 by Social and Business Enterprise Responsible Awards (SABERA) for Zydus' initiatives on ESG.


ASIA BOOK OF RECORDS
CERTIFICATE

Zydus has been recognised by the Asia Book of Records for the highest number of doctors participating in a flu vaccination drive within a single week.



Zydus was certified by the Great Place to Work for the 4th time. Zydus US and Zydus Brazil also received the GPTW certification.



Zydus received Mahatma Award India 2024 for ESG Excellence



Zydus Wellness was certified by the Great Place To Work for the 3rd time.



ET Brand Equity Trendies 2025 in the Social Media - Health & Wellness category for 'Easiest Exam' campaign on Breast Cancer.



Won Gold at the Kaleido Awards 2025 for Easiest Exam campaign for Breast Cancer awareness.



Indiastar 2024 National Awards in packaging design and development with pharmaceutical industry.



Global Healthcare Awards 2024 for Healthcare in CSR for outstanding achievements in exceptional care and positive patient outcomes.



Shiksha Bharati Award 2024 by CSR Times



CSR award in the category of 'Best Higher Education Initiative of the Year - 2025' at Global CSR and ESG Awards 2025.

Management Discussion and Analysis



Global Economy

The global economy experienced growth rate of 2.7% in 2024 similar to the growth recorded in the previous year. In fact, economic conditions have become favorable compared to the previous year, following several years marked by overlapping negative shocks. Inflation has moderated without causing a substantial slowdown in key economies, and monetary policy has begun to ease. These developments are expected to lead to a broad-based global expansion, as trade and investment continue to strengthen.

Advanced economies expanded by an estimated 1.7% in 2024. The US maintained steady growth and the Euro area experienced modest pick-up. However, Japan witnessed sharp slowdown during the year. Looking ahead, advanced economies are expected to register similar growth over next couple of years, unless there is any major shift in their economic policies and geo-political conditions. Emerging Markets and Developing Economies (EMDEs) grew by an estimated 4.1% in 2024. The growth slowed down in China and South Asia during the year. However, EMDEs are likely to maintain similar growth momentum going forward, as deceleration in China is expected to be offset by strengthening in other EMDEs.

The table below shows the global growth reported for the year 2023, estimated growth numbers for the year 2024 and forecast for the year 2025:

	2023 Act.	2024 Est.	2025 Forecast
World	**2.7**	**2.7**	**2.7**
Advanced Economies	**1.7**	**1.7**	**1.7**
US	2.9	2.8	2.3
Euro Area	0.4	0.7	1.0
Japan	1.5	0.0	1.2
EMDEs	**4.2**	**4.1**	**4.1**

Global headline inflation continued its downward trend during the year. Easing energy and food prices, recovering supply chains, and the delayed effects of tight monetary policy contributed to this moderation. Looking ahead, global headline inflation is projected to decline to 2.7 percent in 2026, broadly aligning with target levels in many advanced economies and EMDEs.

Global financial conditions have slightly eased, since the mid 2024, primarily due to the onset of monetary easing in the US and generally strong risk appetite. Policy rates in advanced economies are expected to decline further in 2025. For much of 2024, improving investor sentiment led to capital inflows and better financial conditions in EMDEs (Source: Global Economic Prospects, January, 2025).

Indian Economy

In the post pandemic era, India has emerged as one of the most resilient economies among the world's major economies. During FY2025, the Indian economy is estimated to have grown at 6.5% despite several external headwinds. The growth is significant considering that most large economies of the world struggled to maintain the momentum. The growth during the fiscal 2025 was driven by robust agricultural and service sector performance on the supply side and a steady increase in consumption and core merchandise and services exports on the demand side. The International Monetary Fund, in its Article IV report published in February 2025, has stated that India's prudent macroeconomic policies and reform-driven approach have positioned it as the fastest-growing major economy.

Overall, inflation averaged 4.7% during April 24- February 25, down from 5.4% during the same period last fiscal as prices of key food items ease. Food inflation saw a sharp decline, driven by winter season correction in vegetable prices, continued easing of pulse prices and various administrative measures of the government. Going forward, inflation outlook remains benign as estimates of agricultural production suggest a positive outlook for food inflation.

The outlook for employment is bright. As per the Periodic Labour Force Survey (PLFS) quarterly bulletin, the unemployment rate declined from 6.5% in the Q3 (October-December) of FY 2024 to 6.4% one year later in the Q3 of FY 2025. This is accompanied by improvements in the labour force participation rate and higher worker-to-population ratio, reflecting a broader strengthening of labour market indicators in urban areas. Various indices and surveys reveal positive sentiments towards hiring.

Global trade continues to be affected by uncertainty in the policy environment. Tariff-related developments in multiple countries have heightened trade-related risks, affecting investment and trade flows globally. Consequently, India's exports have recorded softer growth in FY2025. However, a robust services trade surplus continues to offset the impact of lower growth in merchandise exports. Within the capital account, gross FDI inflows were higher on a YoY basis. However, net FDI is significantly lower in FY2025 due to a rise in repatriation and outbound FDI. Despite the sell-off by FPIs and heightened global market turbulence, the rupee continues to be amongst the least volatile currencies as compared to its peers.

Geopolitical tensions, trade policy uncertainties, volatility in international commodity prices and financial market uncertainties pose considerable risks to the economic growth outlook, globally and locally. One offsetting positive is the outlook for commodity prices. Domestic private sector capital formation, focused on India's solid fundamentals and economic prospects, will be an important driver of economic growth in FY2026. Supportive fiscal measures, accommodative monetary policy, and the Union Budget's focus on longer-term development drivers and reform will bolster domestic economic resilience amidst significant global uncertainties (Source: Monthly Economic Reports, Department of Economic Affairs).



Global Pharmaceutical Industry

Global pharmaceutical industry grew by 9% in 2024 and total market is about US$ 1.75 trillion now. Going forward, global medicine spending is expected to grow in mid to high single digit and reach approximately US$ 2.4 trillion by 2029. Global health systems have demonstrated remarkable resilience in the face of the pandemic, global inflation, and regional conflicts, and have moved forward to adopt novel therapies and increased usage. Overall, global use and spending on medicines is exceeding pre-pandemic growth rates and is expected to continue significantly above those trends through 2029.

Global growth over the next five years will continue to be driven by new and existing brands in the top 10 developed countries and will be offset by reduction in spending on brands that have lost exclusivity. New brand spending in the 10 developed countries is projected to be higher than the last five years but a smaller share of spending.

In terms of volumes, consumption of medicines globally continues to expand with a 14% growth over the last five years, driven mainly by increased access to medicines. In terms of therapies, immunology, endocrinology and oncology have exceeded the global average growth over last five years, driven primarily by substantial numbers of novel products and wider access to them across geographies.

The table below depicts the current size and growth as well as estimated size and growth of different segments of the global pharma market.

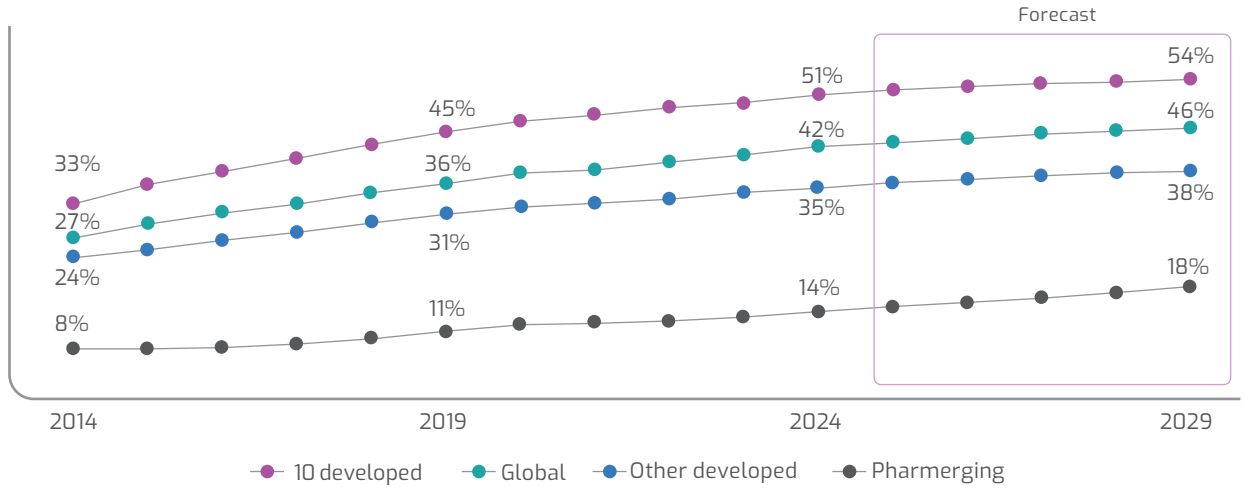
	Current Size (CY24) - US$ bn	CAGR 2020-24	Est. Size (CY29) - US$ bn	Est. CAGR 2024-29
Developed Markets	1,422	8.2%	1,945-1,975	5.5-8.5%
Pharmerging Markets	312	6.0%	375-405	3.5-6.5%
Low-income Countries	16	1.0%	18-22	2-5%
Total	**1,750**	**7.7%**	**2,355-2,385**	**5-8%**



Specialty medicines outlook

Share of specialty medicines in global medicines spending has gone up significantly over the last decade from 27% in 2014 to 42% in 2024. Specialty medicines are the ones that treat chronic, complex and rare diseases and are more expensive compared to other traditional medicines. Top ten largest developed countries have been the key drivers of specialty medicines over the last decade. In those countries, the share of specialty medicines spending has gone up to 51% in 2024 from 33% a decade ago. Over next five years, share of specialty medicines is likely to go up to 46% of the total spending globally as compared to 42% in 2024 with more than half of spending likely to come from major developed markets.

The chart given below shows the proportion of specialty medicines spend over the last decade and over next five years across different regions.



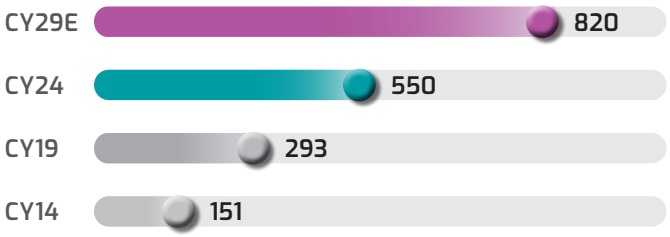
Global biotech outlook

Biotech has emerged as one of the key drivers of pharma spending over the last decade. Spending on biotech products, the drugs which are created through recombinant DNA technology, has grown at a robust CAGR of 14% during last decade and stood at US$ 550 billion in 2024, accounting for ~ 31% of the total global pharma market. Biotech covers a range of therapies, including traditional therapies such as insulin analogues and more complex specialty medicines and cell and gene therapies.

Over next five years, biotech spending is likely to continue its growth momentum albeit at a slower pace viz-a-viz the previous decade and reach US$820 billion by 2029. Spending growth is likely to cool off a bit and remain in the range of 7-10% on account of the impact of key biosimilars, especially in developed markets. Continued flow of new medicines however, is likely to aid the growth going forward.

The chart below captures the current and potential size and growth of global biotech market.

Global biotech spending (US$ bn)



Therapy-wise outlook

In terms of therapies, oncology, diabetes, immunology, cardiovascular and CNS will be the largest therapies in terms of spending in 2029. In terms of growth though, oncology and obesity will be the fastest growing therapies. Oncology is expected to grow in the range of 11-14% CAGR over next 5 years as novel treatment options continue to be launched for the treatment of cancer. Obesity segment is likely to grow at the fastest pace with a CAGR of 23-26%. GIP/GLP-1 drugs initially approved for obesity are likely to register significant growth over next 5 years (Source: IQVIA Report).









Indian Pharmaceutical Industry

Indian pharmaceutical market (IPM)

IPM is one of the fastest-growing pharmaceutical markets globally, having delivered near double-digit compounded growth over the past decade. This momentum is expected to continue, supported by several key factors such as an aging population, rising incidence of chronic illnesses, increased disposable income, higher government spending on healthcare, supportive government policies, expansion of partnerships and co-marketing agreements, deeper penetration of health insurance coverage, and growing adoption of innovation and digital technologies.

In FY2025, the IPM recorded a growth of 8%, primarily driven by price increases and the introduction of new products. Volume growth, however, remained muted throughout the year, a trend that has persisted over the past several years. Over the last 5–6 years, price increases have played a more significant role in driving market growth, with a compound annual growth rate (CAGR) of approximately 5%, contributing around 50–55% of the total industry growth during this period.

From a therapeutic standpoint, chronic therapies outperformed acute therapies, registering a growth of 9.8% during the year. Among therapeutic areas, cardiac remained the largest segment, followed by anti-infectives.

Therapeutic area-wise break-up of IPM is as under:

Therapy Area	Sales in FY2025 (Rs. Bn)	Therapy Contribution	YoY Growth
Cardiac	30,054	12.9%	11.7%
Anti-Infectives	25,295	10.8%	5.1%
Gastro-Intestinal	25,096	10.8%	9.7%
Anti-Diabetic	20,711	8.9%	8.2%
Pain/Analgesics	18,541	7.9%	7.6%
Respiratory	18,417	7.9%	3.4%
Vitamins/Minerals/Nutrients	18,259	7.8%	8.1%
Derma	16,301	7.0%	9.5%
Neuro/CNS	14,084	6.0%	8.6%
Gynaecology	11,303	4.8%	4.0%
Others	35,203	15.1%	9.0%
Total	**2,33,261**	**100.0%**	**8.0%**

Leadership in global generics market

The Indian pharmaceutical industry ranks third globally in terms of production volume and plays a prominent role in the global pharmaceutical industry. Generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research & manufacturing, biosimilars, and biologics are some of the major segments of the Indian pharma industry. India is the largest supplier of generic drugs globally, accounting for about 20% of the global supply. It manufactures about 60000 generic drugs across 60 therapeutic categories. India supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The country has the highest number of USFDA inspected plants outside of the US. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights.

India is the global leader in the supply of DTP, BCG and measles vaccines. Indian vaccine manufacturers account for 60% of vaccine supplies to the UNICEF, 40 to 70% of the WHO's demand for DTP and BCG vaccines and 90% of WHO's demand for measles vaccine (Source: IQVIA Report and Department of Pharmaceuticals Annual Report 2024-25).

An analysis of the performance of different business verticals of the Company is given below:

India Geography

Formulations Business

The Company's formulations business in India has been a cornerstone of its overall growth strategy. The business has grown consistently over the years, driven by strategic brand-building initiatives, increased market penetration, successful product launches, and a deepening presence across new therapies. The growth has been further supported by the Company's robust innovation capabilities, which continue to offer novel healthcare solutions to the patients. The business was the second largest contributor to the overall revenues during the year, accounting for 26% of the total business.

During FY2025, the Company's India formulations business sustained the growth momentum on the back of healthy volume growth and new product launches. Various strategic interventions done in the past are now yielding the results as the branded formulations business has outpaced the market since the last couple of years. Overall, the secondary sales of the Company grew by 9.5% during the year viz-a-viz 8% growth registered by the IPM. 8 of the Company's brands were ranked amongst the top 300 brands of the IPM during the year. Out of all the brands currently being marketed, 10 brands recorded sales in excess of Rs. 1,000 mn, 20 brands recorded sales between Rs. 500 to Rs. 1,000 mn while 36 brands recorded sales between Rs. 250 to Rs. 500 mn (Source: IQVIA MAT March 2025 Report). Ongoing brand building initiatives will ensure that this tally continues to improve in the coming years.

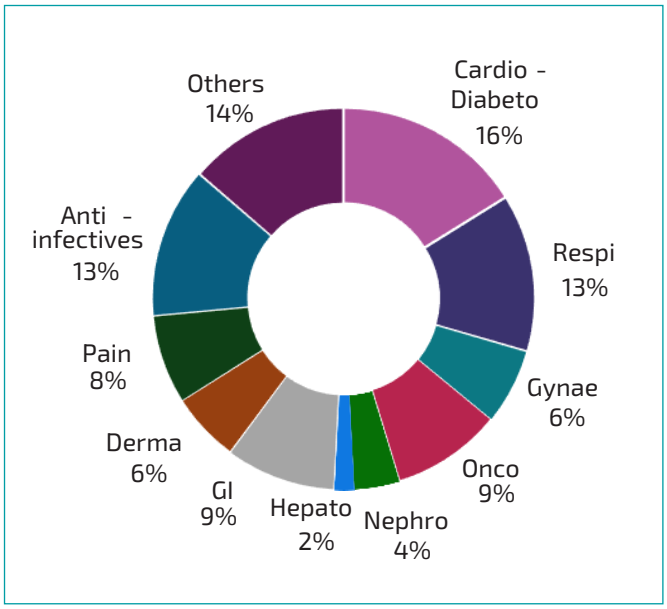
A table is given below which depicts the success of the Company's brand building initiatives over the years.

Brand Value	# Brands - MAT Mar 21	# Brands - MAT Mar 25
> Rs. 1000 mn	4	10
Rs. 500 - 1000 mn	14	20
Rs. 250 - 500 mn	28	36
Total	**46**	**66**



Cardiology, Anti-Diabetes, Respiratory, Gynaecology, Gastro-Intestinal, Dermatology and super specialty areas of Oncology and Nephrology are the focused therapy areas for the Company. During the year, the Company grew faster than the IPM in Cardiology, Respiratory, Anti-infectives and super specialty area of Oncology. Contribution of chronic portfolio in overall India formulations revenues has gone up consistently over the years and stood at 43% in FY2025 which is an improvement of 400 bps over the last 3 years (Source: IQVIA MAT March 2025 Report).

Therapeutic area-wise break up of Company's formulations sales in India as per IQVIA MAT March 2025 is as under:



The Company has strategically identified a set of flagship brands, referred to as pillar brands, which have demonstrated strong market traction and served as key growth drivers over the past year. Through targeted brand-building initiatives, the Company aims to further scale these and other emerging brands. This focused approach is expected to enhance market share for the pillar brands within their respective segments, thereby accelerating the overall growth trajectory of the business.

Over the years, the Company has developed a robust innovation portfolio comprising of New Chemical Entities (NCEs), biosimilars and vaccines, aimed at addressing the unmet healthcare needs of patients. The Company has harnessed its innovation capabilities to drive sustainable business growth.

The Company's first NCE viz. Saroglitazar Magnesium which was launched over a decade back is now approved for multiple indications viz. Diabetic Dyslipidemia, Hypertriglyceridemia, MAFLD and MASH. It is marketed under the brand names Lipaglyn® and Bilypsa®. Lipaglyn® brand, since its launch, has displayed significant growth momentum. The brand became the largest brand of the Company during the year. The brand registered 38% increase in patient base during the year FY2025. Number of patients treated by the brand since its launch crossed 5 million mark during the year. Bilypsa® brand, following its inclusion in the guidelines for MAFLD and MASH by the Indian National Association for the Study of Liver (INASL), has experienced a surge in market share and further consolidated its position in the Gastroenterology and Hepatology therapeutic areas. The Company has undertaken number of initiatives to address the challenges associated with improving access to medicines in the Gastroenterology and Hepatology space. These initiatives include continuous medical education (CME) initiatives, single theme meetings, symposia, and scientific forums for HCPs, PAN India support programs that facilitate early screening and diagnosis, various patient support programs and stakeholder engagement. Combined sales of the Company's Saroglitazar franchise (Lipaglyn® and Bilypsa®) registered 67% growth in secondary sales as per IQVIA, clocking revenues of Rs. 3,156 million in FY2025.



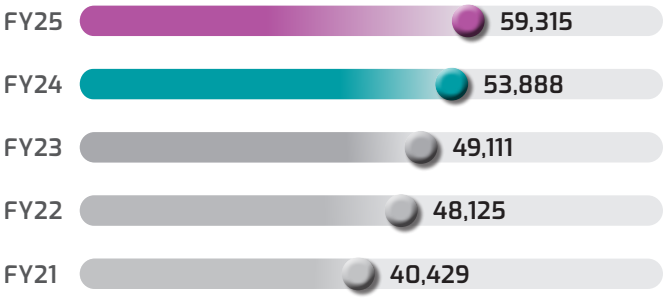
The Company continued to strengthen its position in Nephrology space with its second NCE and flagship brand, Oxemia™ which continued to make strong inroads in the CKD anaemia market.

Oxemia™ is the country's first oral alternative to erythropoietin-stimulating agents (ESA). It offers a cost-effective alternative to injectable ESAs, with the added advantage of no cold chain requirement which is a crucial factor in a tropical country like India. The brand has provided relief to over 65,000 CKD anaemia patients since its launch.

During financial year FY2022, the Company launched Ujvira™ brand for the treatment of breast cancer. Ujvira™ is the world's first biosimilar of an antibody drug conjugate Kadcyla®. The brand was launched with an aim to make the treatment affordable to a larger pool of patients who were unable to afford the cost of the innovator drug. The brand has witnessed rapid volume expansion since its launch and provided access to over 10,000 patients so far on account of the affordability of the product compared to the innovator brand.

Overall, the Company's formulations business in India posted sales of Rs.59,315 million during the year, up10%. CAGR (FY21-FY25) of 10%.

India Formulations business revenues over last 5 years (Rs. mn)



Consumer Wellness

Zydus Wellness Limited (ZWL), the Company's subsidiary, spearheads the group's operations in the consumer wellness space. ZWL operates in two segments viz. personal care segment and food and nutrition segment and has a portfolio of category-leading health and wellness products.

Throughout the year, the FMCG sector saw steady demand momentum, particularly in rural areas, where small unit packs supported accessibility and affordability for lower-income segments. While urban demand was more subdued, premium categories remained resilient, reflecting a dual trend of value-seeking behaviour alongside the rise of premiumization. As per Nielsen and Kantar World Panel Household data, FMCG market in India grew 9% (6% volume growth) and saw a 3% increase in household penetration during the year. ZWL outpaced the industry growth registering strong 17% growth with 13% volume growth.

In terms of segment-wise performance, the personal care segment demonstrated strong consumer traction, delivering a robust growth of 33.4% during the year. This momentum underscores the segment's resilience and brand strength. The Food and Nutrition segment sustained its upward trajectory, registering growth of 13%, supported by category expansion, innovation, and strategic acquisitions.

During the year, the Company retained leadership positions across most categories that it operates in. Continued investments in distribution, category expansion, innovation, media campaigns, sales promotions and digital engagement further strengthened competitive positioning and market share across key brands. The Company today nourishes, nurtures, and energizes over 70 million families through an extensive omnichannel presence, including over 2.8 million retail outlets stocking the Company's products. This widespread availability underscores the strength of the brands and the Company's capability to meet daily needs and diverse shopping preferences of Indian consumers.

The Company continued to work on following pillars to grow the business and unlock the value for all the stakeholders.

A. Accelerate growth of core brands

The Company continued to support the growth of both existing and new products through targeted marketing initiatives and a robust Go-To-Market (GTM) strategy, tailored to the fast-paced and competitive FMCG environment. These efforts included multi-channel advertising campaigns, in-store promotions, strategic pricing, and consumer engagement programs aimed at building brand loyalty and driving product trials. The GTM strategy focused on optimizing distribution networks, enhancing visibility at retail touchpoints, leveraging data analytics for demand forecasting, and collaborating closely with trade partners to ensure swift product availability and shelf presence. Through these integrated efforts, the Company aimed to accelerate market penetration, improve brand equity, and respond dynamically to shifting consumer preferences.

B. Diversifying the portfolio with strategic acquisition and brand acceleration – Rite Bite®

As part of a long-term strategy to expand the presence in the fast-growing healthy snacking segment, the Company acquired Naturell (India) Private Limited (NIPL) during the year. NIPL owns and operates the brands RiteBite Max Protein® (focused on protein-fueled healthy snacks) and RiteBite® (focused on fiber-enriched and balanced nutrition snacks), with a diversified portfolio spanning nutrition bars, cookies, chips, and other healthy snacking formats. The acquisition strategically aligns with the Company's commitment to scale the presence in health-focused, functional food categories.

C. To expand international presence

The Company is focused on scaling its international business by prioritizing key regions such as South Asian Association for Regional Co-operation (SAARC), Middle East and Africa (MEA), South East Asia (SEA) and Indian Sub-Continent (ISC), This includes entering new geographies and introducing innovative products tailored to the regional market needs. During the financial year, the Company continued to strengthen its foundation across international markets. The Complan® and SugarFree™ franchises remain the flagship brands in these markets.

D. To grow the scale and improve profitability

The Company has taken various initiatives to increase consumer base and improve profitability.

As consumer preferences and access patterns evolve, the Company remains focused on innovating products and extensions that align with these changing needs and drive category growth. Backed by a strong R&D team and a state-of-the-art facility, the Company has built a robust new products pipeline which is well researched and scientifically backed and substantiated and ready for launch based on market demand.

In today's competitive landscape, identifying the most effective channels to reach both potential and existing customers is essential for expanding brand penetration. The Company continues to grow its iconic brands by crafting fresh narratives and leveraging innovative media strategies to connect with consumers with greater precision. These efforts have successfully increased the reach and impact of its key brands.

The Company has successfully transitioned from a distribution-led model to establishing direct relationships with all modern trade (MT) and e-commerce partners. This has enhanced supply chain efficiency, improved product availability, reduced lead times and delivered margin benefits. Complementing this shift, the Company has steadily increased its focus on organized trade, introducing channel-specific offerings designed to resonate with new-age consumers. As a result, organized trade saliency continued to strengthen, reaching 23% in FY2025, comprising 10% from e-commerce and 13% from MT. Quick commerce has emerged as a key growth driver within e-commerce, now accounting for 41.4% of total e-commerce sales, supported by its lower cost-to-serve advantage over traditional e-commerce channels.

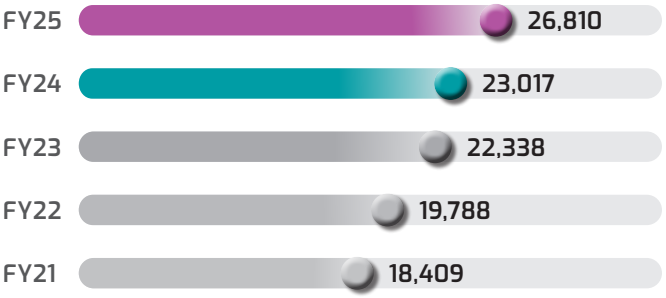


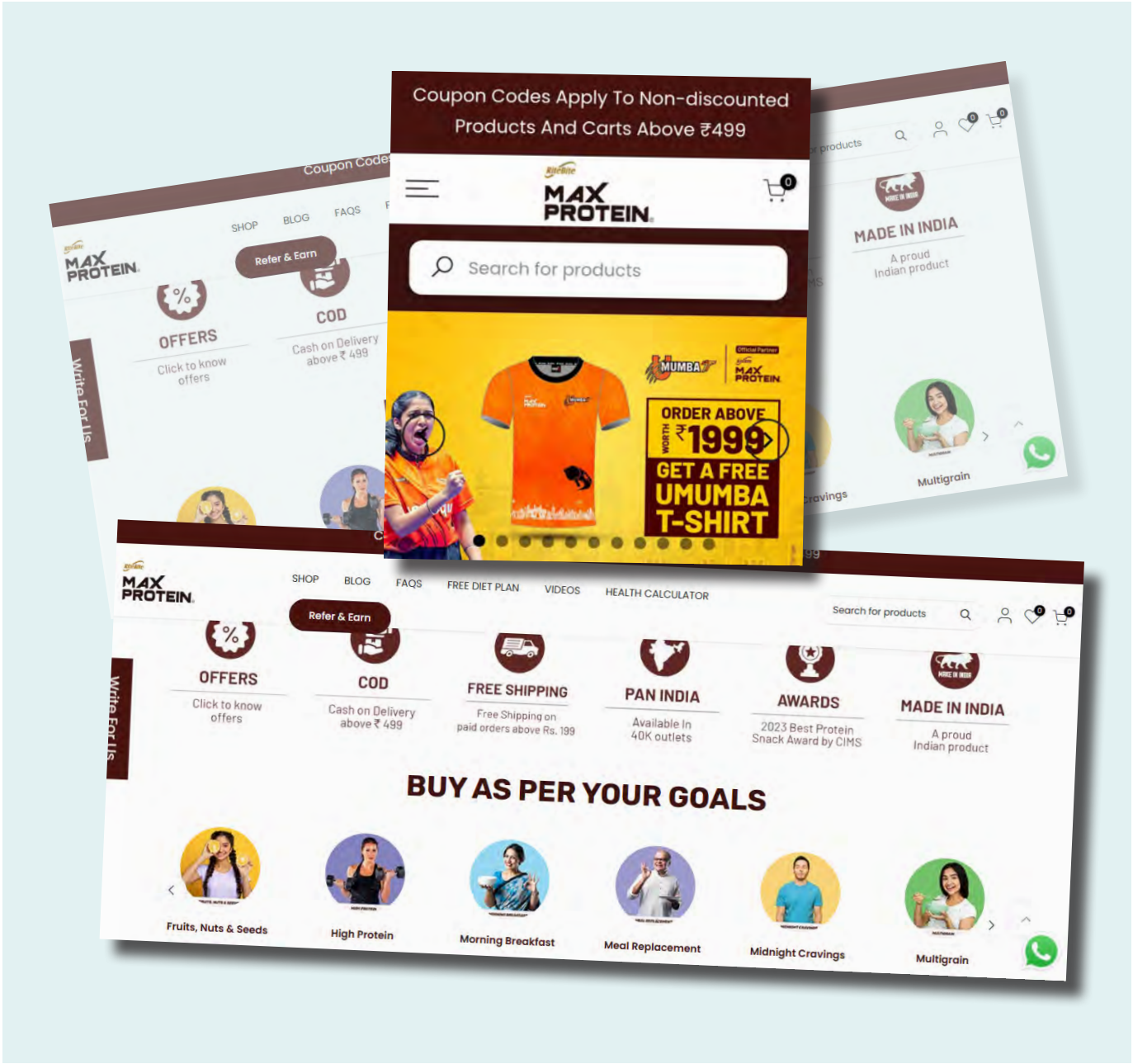
E. Digital transformation and data-led decision-making

As consumer behavior shifts to digital, the Company has fast-tracked its digital transformation to enhance customer engagement, streamline operations, and improve decision-making. Investments in advanced analytics and AI-driven tools have optimized media spend, improved demand forecasting, and streamlined inventory management.

Overall, the Consumer Wellness business grew by 17% and posted revenues of 26,810 million. CAGR (FY21-FY25) of 10%.

Consumer Wellness revenues over last 5 years (Rs. mn)





US Formulations Business

The Company is one of the leading players in the US generics space, backed by a robust and diverse product portfolio that addresses a wide spectrum of therapeutic needs. The Company is strategically expanding its footprint in the specialty segment through multiple levers to bring additional value to the customers by satisfying their unmet healthcare needs. The Company's wholly owned subsidiary Zydus Pharmaceuticals USA Inc. spearheads the Company's operations in the US.

After scaling the US$ 1 bn revenue mark for the first time in FY2024, the Company's US business sustained traction in FY2025 and delivered strong double digit growth on an elevated base. Growth during the year was driven by sustained volume expansion in base business, contribution from new product launches and supported by a benign pricing environment. Overall, the US was the largest market for the Company during the year, accounting for 49% of consolidated revenues.

Generics Business

The Company distributes over 225 generic products in the US market. Out of these, the Company has leadership position in ~25% of the product families and is ranked amongst top 3 players in over 55% of the product families. In terms of overall ranking, the Company continues to maintain the fifth rank amongst the US generic companies based on prescriptions (Source: IQVIA, Regulatory Insights, MAT March 2025 TRx). The Company's success in the generics space over the years is driven by its comprehensive product portfolio, unwavering commitment to customer service & product quality and an agile and resilient supply chain.

During the year, the Company launched 17 generic products (incl. 2 FTF products) in the US market. The Company received 24 new product approvals (incl. 5 tentative approvals) during the year, taking the cumulative number of approvals to 421. The Company filed 27 ANDAs with the USFDA during the year, taking the cumulative number of ANDA filings at the end of the year to 486.

In order to complement its own portfolio and broaden the range of healthcare options it can provide to the patients, the Company is constantly looking at business development and licensing (BD&L) prospects.

To expand its differentiated portfolio, the Company entered into an exclusive licensing and supply agreement with Viwit Pharmaceuticals for 2 Gadolinium based Magnetic Resonance Imaging (MRI) injectable, contrast agents. Viwit will be responsible for ANDA submission, manufacturing and supply of the products following the receipt of requisite regulatory approval. The Company will exclusively market, distribute, and sell these products in the US market. These will be the first set of contrast agent products in the Company's injectable portfolio for the US market.

Specialty Business

The Company's specialty portfolio built through 505(b)(2) route continued to expand. During the year, the Company received final approval for the third New Drug Application (NDA) filed through 505(b)(2) route viz. Zituvimet™ XR i.e. Sitagliptin and Metformin Hydrochloride ER tablets in the area of metabolic disorder management. With this approval, all three NDAs of Sitagliptin (base) and combination franchise were approved through 505(b)(2) route. All the three NDAs have received First-Cycle approval. The Company launched its second 505(b)(2) product viz. Sitagliptin and Metformin IR tablets in the area of metabolic disorder management during the year. The first 505(b)(2) product viz. Sitagliptin tablets was launched in FY2024. The Company also launched all 3 brands of Sitagliptin 505(b)(2) franchise viz. Zituvio™, Zituvimet™ and Zituvimet™ XR tablets during the year. The Company entered into an agreement with CVS Caremark®, a CVS Health® company to add Zituvio™ , Zituvimet™ and Zituvimet™ XR tablets to its template formulary from 1st January, 2025. On 505(b)(2) products development front, 6 more products are under different stages of development. The Company also leveraged licensing route to expand the 505(b)(2) products portfolio. The Company has entered into licensing agreement with Synthon BV for a novel oncology product which will be filed in 2026.

The Company is building its presence in the liquid orals space through LiqMeds portfolio. Liquid orals is a large, growing market and serves unmet healthcare needs. It offers greater convenience and ensures better therapy compliance for geriatric and paediatric patients. The Company has supplied 8 products in liquid orals space filed through the 505(b)(2) route. 3 such products are awaiting the USFDA approval.

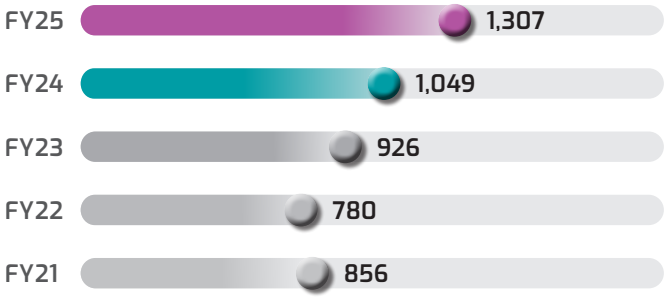
Orphan and ultra-rare diseases is a niche, focused area of the Company's US specialty business. The Company has acquired three assets in this space so far viz. NULIBRY®, Zokinvy® and Zycubo (CUTX101). NULIBRY® holds marketing authorization in the US, EU and Great Britain for Molybdenum Cofactor Deficiency (MoCD) Type A, an ultra-rare disease. Zokinvy® holds marketing authorization in the US, EU, Great Britain and Japan for Hutchinson-Gilford Progeria Syndrome, a collection of ultra-rare, fatal, genetic premature aging diseases. Both NULIBRY® and Zokinvy® have been commercialised in the US. NULIBRY® has been granted Orphan Drug Designation (ODD) status by the USFDA. During the year, NDA of CUTX101, a copper histidinate product candidate for treatment of Menkes disease, received the USFDA acceptance and granted priority review by the regulator. The molecule holds Orphan Drug Designation (ODD) and has also been granted Fast-Track designation by the USFDA.

The Company completed second year of its commercial operations in the US animal healthcare space. During the year, the Company received approval for 2 ANADAs and launched 3 new products. Cumulative number of ANADA approvals and launches stand at 9 and 6 respectively.

Going forward, the Company will strive to continue its growth journey in the US on the back of comprehensive generics portfolio built over the years, expanding specialty footprint and enhancing the presence in pediatric rare disease space. This, coupled with strong customer relationships, a pool of manufacturing facilities with capabilities to produce diverse dosage forms, an agile supply chain and efficient cost system will ensure sustained growth trajectory for the US business.

Overall, the Company's US formulations business posted revenues of Rs. 110,500 millon during the year, up 27%. CAGR (FY21-FY25) of 15%. In constant currency terms, the revenues for the year stood at US$ 1,307 million.

US Formulations revenues over last 5 years (US$ mn)





International Markets Formulations Business

International Markets formulations business will be the third pillar of growth for the Company beside the US and India geographies. The business has consistently delivered robust double-digit growth over last several years with sustained improvement in profitability.

On the International Markets front, the Company is present in select Emerging Markets and European countries. In Emerging Markets, the Company operates in key geographies across Asia Pacific, Middle East, Africa, and Latin America regions. In Europe, the Company has a direct presence in France, Spain and the UK, while other European nations are serviced through a business-to-business approach.

In emerging markets, the Company primarily operates in the branded generics segment, with a strategic focus on key therapeutic areas such as Cardiology, Diabetology, Neuropsychiatry, and Pain Management. To enhance patient outcomes, the Company actively collaborates with Key Opinion Leaders (KOLs) in these specialized fields. Over the years, the Company has launched numerous research and educational initiatives, fostering strong partnerships with healthcare professionals. Its marketing strategy has evolved from brand oriented approach to a comprehensive, disease-centric model. This holistic approach involves engaging all stakeholders across the healthcare value chain, enabling a more integrated and effective response to disease management opportunities. This strategic shift has significantly contributed to the development of strong and impactful brands across markets. As a result, the Company now boasts of 48 brands in the Million-Dollar Club (MDC), with 14 new additions in the past three years itself.



The pharmaceutical market in Asia Pacific region remained steady driven by rising healthcare access and consistent demand across key therapeutic segments. The Company's business in Philippines and Myanmar benefited from expanding public health programs and private sector investments while in Sri Lanka, the Company maintained the strong growth trajectory through robust distributor partnerships and execution excellence. In the participated market of Sri Lanka, the Company retained its leadership position with a market share of 22%.

Africa region witnessed positive shift during the year with increased investments in healthcare infrastructure and greater focus on essential medicine access. South Africa, the Company's largest market in the region registered strong growth during the year. Uganda and new markets of West and Central Africa also witnessed a strong uptick, reflecting rising demand and efficient distribution capabilities.

On the Latin American front, in Mexico, the Company maintained strong momentum with healthy double-digit growth. In Brazil, the business rebounded to the growth trajectory with double-digit growth compared to a muted performance last year driven by corrective actions implemented during the previous year and increased healthcare spending in the country. The Company was ranked third in the participated Brazilian pharma market.

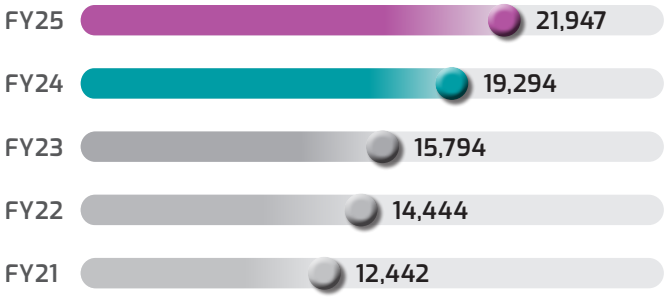


To ensure future growth and stand out from competitors, the Company is focusing on launching differentiated products, value-added generics, and innovative dosage forms from its global R&D portfolio. The Company continued to leverage its rich innovation pipeline and filed the dossiers of different biosimilars with the regulatory authorities of different countries. During the year, the Company received marketing approval from the Mexican regulatory authority for two biosimilars viz. Bhava™ (Bevacizumab biosimilar) and Mamitra™ (Trastuzumab biosimilar) and launched them.

In Europe, favorable demand trends continued with both France and Spain delivering robust double-digit growth during the year. The upward trajectory is likely to persist going forward on the back of various strategic initiatives undertaken in last several quarters, robust on-ground execution and strategic portfolio play. In Business to Business (BTB) space, the Company is scaling up the business in existing countries and enter into new countries through partnerships.

In UK, the Company commenced commercial operations during the year with product launches from its own pipeline. The Company also has a presence in the specialty space through its subsidiary LiqMeds which supplies oral liquids to serve the unmet needs of geriatric and paediatric patients, bringing in greater ease of convenience and therapy compliance. The Company is well positioned to expand its presence in the UK on the back of its global R&D portfolio of differentiated and niche generics as well as the specialty oral liquids portfolio of LiqMeds.

Overall, the Company's Emerging Markets and Europe formulations business posted revenues of Rs. 21,947 million during the year, up 14%. CAGR (FY21-FY25) of 15%.





JVs and Alliances

Zydus Takeda Healthcare Pvt. Ltd.

Zydus Takeda Healthcare Pvt. Ltd. is a 50:50 JV between the Company and Takeda Pharmaceuticals Co. Ltd., Japan. The JV owns a manufacturing facility in India which is designed to manufacture both Intermediates and APIs. The manufacturing facility caters to Europe and Japan and is compliant with both national and international GMP standards. The APIs produced by the JV cover a broad range of therapeutic categories such as Antiseptic, Analgesic/ Anti-inflammatory, Antihypertensive etc. and are supplied exclusively to the JV partner for its generic portfolio.

During the year, the JV's manufacturing facility at Vashi, Navi Mumbai, completed 25 years of operations in India. The JV site successfully completed the audit by Austrian Agency for Health and Food Safety GmbH (AGES) during the year. JV site also successfully completed ISO 45001:2018 and 14001:2015 recertification audit. The JV continued to implement various efficiency enhancement initiatives through the year to improve the yield and reduce the operating cost and processing time.

Zydus Hospira Oncology Pvt. Ltd.

Zydus Hospira Oncology Pvt. Ltd. is a 50:50 contract manufacturing JV between the Company and Hospira Inc., USA (now part of Pfizer group), which manufactures oncology injectable products. The JV supplies products to the JV partners to cater to the requirements of the markets assigned to them. The JV has an annual capacity to manufacture upto 7 mn vials and it currently manufactures and supplies around 30 products from the facility. During the year, the JV continued to work towards implementing different ideas in the space of digitalization and automation to ensure smooth and lean manufacturing operations. The JV facility successfully completed inspection by the regulatory authorities of Japan and Taiwan during the year.



Sterling Biotech Ltd.

During the year, the Company acquired 50% stake in Sterling Biotech Ltd (SBL) from Perfect Day Inc., a Temasek Portfolio Company, to form a 50:50 JV with equal representation on the Board. The acquisition marked Zydus' foray into specialised biotech products for health and nutrition, specifically catering to consumers who prefer animal-free protein or suffer from lactose intolerance. The JV will establish a state-of-the-art manufacturing facility to manufacture fermented animal free protein to cater to the global markets. The JV will accelerate the production of high-quality and ecofriendly protein products, reduce environmental impact, and cater to the growing consumer demand for fermentation-based and ethically sourced nutrition. This partnership marks a significant step forward in the global effort to transform the food industry and promote a healthier planet.



Foray into Med-tech space

The Company has identified medical technology as a focused area in its quest to address diverse healthcare needs of the patients. Medical technology is a natural extension for the Company which has a proven track record in the lifesciences and wellness space. The Company is focusing on high quality products and solutions for patients. For achieving this, the Company will focus on cutting edge research and innovation around design and engineering along with state-of-the-art manufacturing capabilities "enabling high quality solutions".

The Company will pursue both organic and inorganic growth strategies and leverage strategic partnerships to expand the business. The Company has identified three priority segments in the med-tech space to build its global presence viz. Cardiology, Nephrology and Orthopaedics. Within Cardiology, the Company is building its presence in interventional cardiology. The Company has acquired manufacturing facility of Nano Therapeutics located at Surat, Gujarat. In Nephrology, the Company is setting-up manufacturing plant for producing high end membranes to address growing Chronic Kidney Disease burden globally.

On the Orthopaedics front, during the year, the Company entered into a share purchase agreement to acquire a majority stake in Amplitude Surgical SA, France. Amplitude Surgical is a European MedTech leader in high-quality, lower-limb orthopaedic technologies. It holds leading position in the attractive orthopaedics market with global reach (#2 in France, #6 in Europe, #6 in Brazil). Amplitude has an extensive R&D, manufacturing, marketing and distribution capabilities and global footprint to drive future growth.



Risk Identification, Risk Mitigation and Internal Controls

Zydus Lifesciences Limited is an integrated, global life-sciences company. The company operates across the entire value chain in the life sciences space with a strong international footprint. The Company's diversified business portfolio and broad geographic footprint bring in a spectrum of strategic risks and operational complexities that require proactive risk management. The Company follows a structured risk management process involving risk identification, impact assessment, and implementation of mitigation strategies. This approach helps to minimize the impact of different risks on the Company's operations. Key risks being faced by the Company, their impact and the strategy implemented to mitigate those risks are given below:

Regulatory risk

Risk Involved	Mitigation Strategy
• Penal action by the regulators if regulations of different geographies are not complied with • Increased cost of operations on account of ever-increasing regulatory bar across geographies • Loss of reputation and consequent threat to future operations	• Continued evaluation of applicable regulations to ensure compliance at all times • Building a strong Quality culture organisation and adoption of new technologies and automation to ensure better compliance • Proactively improve the systems and processes in the light of regulatory actions taken on other players • Independent audits and cGMP compliance checks to ensure all time audit readiness

Risk of competition, pricing pressure and Government control on prices

Risk Involved	Mitigation Strategy
• Presence of a large number of players in the generic space results in increased competition which in turn, brings the prices down • Entry of a new competitor/s in existing products and markets results in increased competition leading to pricing pressure and impede the ability to increase market share • In some countries, Government regulates prices of medicines and reduces them periodically to make them affordable to patients	• Expand volume of existing products and launch new products • Move up the product value chain and launch complex products which have significant entry barriers, limiting new competition • Continue focus on brand building in the branded markets • Implement various cost optimization initiatives across the value chain to minimize the impact of price erosion

Risk related to economic and political environment

Risk Involved	Mitigation Strategy
• Frequent political changes including civil unrest and war like situation in different geographies lead to significant uncertainties in Company's operations in such regions	• Continued evaluation of political and economic scenarios across the globe to cap the exposure to the affected regions • Securing receivables through letter of credit or advance payments

Litigation Risk

Risk Involved	Mitigation Strategy
• Litigation from innovators if patents granted to them are infringed and claims & penalties associated with such infringement claims • Litigation with government authorities for alleged overcharging, non-compliance with pricing norms, quality, misbranding, labelling, etc. • Litigation with tax authorities on account of difference in interpretation of various provisions due to frequent changes in tax laws	• Implementation of review mechanism to check for possible infringement of intellectual property rights before developing and filings the dossiers • Develop the products through non-infringing processes and formulations • Ensure compliance with various statutory requirements by leveraging different compliance tools • Maintain internal domain expertise in taxation through continued knowledge updation

Risk of delay in/ non-receipt of new product approvals

Risk Involved	Mitigation Strategy
• Loss of business/ opportunity due to delay in receipt of new product approvals/ rejection of dossiers by the regulators • Delay in re-registration of product dossiers impacting the existing business	• Implementation of a stage-gate review mechanism to ensure quality of dossiers from early stage of development • Speedy response to queries raised by regulators on product dossiers; Improvement in quality of response based on learnings from deficiency trends • End-to-end tracking of new product development (NPD) and new product launch (NPL) activities through a digital tool viz. IRIS

Risk of international operations including foreign exchange risk

Risk Involved	Mitigation Strategy
• Presence in different geographies exposes the Company to the volatility in currencies of different countries; Growth, profitability, investments and debt obligations of the Company in foreign currency vary considerably depending upon the fluctuations	• Adoption of appropriate hedging strategy to safeguard against adverse currency movements • Use of natural hedging viz. foreign currency revenues are hedged against foreign currency expenses and foreign currency debt • Optimum debt-mix policy

Risk of cyber-attack on digital infrastructure

Risk Involved	Mitigation Strategy
• Disruption of Company's operations caused by cyber security breach on digital infrastructure • Financial, operational and reputational loss	• Strengthen cyber security controls, multiple initiatives to lower operational and strategic risk profiles and to take swift actions on emergence of risks across businesses

Risk of vulnerability on supply chain

Risk Involved	Mitigation Strategy
• Rising raw materials, utilities and logistics cost impacting the profitability	• Identify key APIs, excipients and other commodity linked products depending upon the socio-economic scenario and take appropriate buying decisions to protect against increase in prices
• Disruption in supply chain on account of geo-political and socio-economic threats resulting in an inability to consistently service the demand of customers	• Regularly monitor and build the safety stock of key APIs whose supply can be impacted on account of potential geo-political and socio-economic threats • Identify alternate vendors for key raw materials and develop India based vendors to have better control on cost, quality and supply

Risk of failure to achieve the objectives of large projects

Risk Involved	Mitigation Strategy
• Non-achievement/ significant delay in achievement of objectives of large inorganic opportunities/ capital projects lead to significant impact on profitability and lower return on investments	• Ensure realistic approach to valuation, critical evaluation and due diligence of each and every aspect related to the project • Monitor implementation of key strategies planned and achievement of key milestones vs. plan on a periodic basis • Establish discipline on investments and debt raising with a policy on capital investment and structure; Defined criteria and threshold for new investments and optimum debt to EBITDA ratio • SOP in place to evaluate large capex proposals and periodic review of economic benefits arising from such capex

Risk Management and Internal Control Systems

While it may not be feasible to entirely eliminate the risks inherent in the Company's business operations, significant efforts are made to minimize their potential impact. To this end, the Company has established a comprehensive risk management framework. This system enables regular enterprise-wide assessments and validations of emerging and existing risks. The Risk Management Committee and the Board of Directors frequently review the risk management policy to identify new threats and reassess the severity of ongoing ones. Based on these insights, strategic measures are devised to address and mitigate risk exposure. Additionally, the Company has put in place a series of internal controls across various operations to further reduce vulnerability to risk. In accordance with the Companies Act, 2013, the Company has established an Internal Financial Control (IFC) framework to maintain effective oversight of financial reporting processes. Apart from this, a well-defined system of joint internal audit is in place so as to independently review and strengthen these internal controls. The Audit Committee routinely evaluates the findings of the internal auditors and provides recommendations to further enhance the internal control environment.

BOARD'S REPORT

Your Directors are pleased to present the Thirtieth Annual Report (Integrated) and the Audited Financial Statements of Zydus Lifesciences Limited ("the **Company**") for the Financial Year ended on March 31, 2025.

FINANCIAL HIGHLIGHTS:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under section 133 of The Companies Act, 2013 ("the **Act**"), read with rule 7 of The Companies (Accounts) Rules, 2014 ("the **Accounts Rules**").

Pursuant to and in compliance with the provisions of section 134(3) read with rule 8 of the Accounts Rules, the standalone and consolidated financial performance of the Company for the Financial Year ended on March 31, 2025, is summarized below:

₹ in million

Particulars	Standalone		Consolidated	
	For the year ended on March 31, 2025	For the year ended on March 31, 2024	For the year ended on March 31, 2025	For the year ended on March 31, 2024
Revenue from Operations and Other Income	158,125	119,035	235,110	198,315
Profit before Interest, Depreciation, Amortisation and Impairment Expenses & Tax ("**PBIDT**")	84,325	51,435	73,280	56,684
Less: Finance Cost	4,639	3,907	1,659	812
Less: Depreciation, Amortisation and Impairment Expenses	5,239	5,044	9,158	7,641
Less: Exceptional Items	-	86	2,196	142
Profit Before Tax ("PBT")	**74,447**	**42,398**	**60,267**	**48,089**
Less: Tax Expenses	16,698	7,983	14,119	9,775
Profit After Tax ("**PAT**")	57,749	34,415	46,148	38,314
Add: Share of Profit of Joint Ventures (Net of Tax)	-	-	578	1,184
Profit for the year from continuing operations	57,749	34,415	46,726	39,498
Add: Profit after tax from discontinued operations	-	-	-	230
Profit for the year	**57,749**	**34,415**	**46,726**	**39,728**
Attributable to:				
Owners of the Parent	57,749	34,415	45,255	38,595
Non-Controlling Interests		-	1,471	1,133
Other Comprehensive Income (Loss) (Net of Tax)	64	(322)	(1,000)	(2,001)
Total comprehensive income	**57,813**	**34,093**	**45,726**	**37,727**
Attributable to:				
Owners of the Parent	57,813	34,093	44,257	36,594
Non-Controlling Interests	-	-	1,469	1,133
Opening balance in Retained Earnings	133,476	105,674	203,690	171,898
Amount available for appropriation	**190,961**	**139,549**	**248,635**	**209,898**
Dividend	3,019	6,073	3,019	6,208
Closing Balance in Retained Earnings	**187,942**	**133,476**	**245,616**	**203,690**
Earnings Per Share ("**EPS**") (Face Value of shares of ₹ 1/- each)				
From continuing operations	57.39	34.01	44.97	37.91
From continuing and discontinued operations	57.39	34.01	44.97	38.14

Note: Previous year's figures have been re-grouped / re-arranged wherever necessary.

The Company proposes to retain an amount of ₹ 187,942.00 million (Rupees One Lakh Eighty Seven Thousand Nine Hundred Forty Two Million only) in the Statement of Profit and Loss. The Company proposes not to transfer any amount to general reserve on declaration of dividend.

RESULTS OF OPERATIONS:

During the Financial Year ended on March 31, 2025, the consolidated revenue from operations and other income was ₹ 235,110.00 million (Rupees Two Lakh Thirty Five Thousand One Hundred Ten Million only). The Company has achieved consolidated PBT from continuing operations of ₹ 60,267.00 million (Rupees Sixty Thousand Two Hundred Sixty Seven Million only) and consolidated PAT (from continuing and discontinued operations) of ₹ 46,726.00 million (Rupees Forty Six Thousand Seven Hundred Twenty Six Million only). The Company achieved a consolidated total Comprehensive Income of ₹ 45,726.00 million (Rupees Forty Five Thousand Seven Hundred Twenty Six Million only). The consolidated EPS on continuing and discontinued operations for the Financial Year ended on March 31, 2025, was ₹ 44.97 (Rupees Forty Four and Paise Ninety Seven).

During the Financial Year ended on March 31, 2025, the standalone revenue from operations and other income was ₹ 158,125.00 million (Rupees One Lakh Fifty Eight Thousand One Hundred Twenty Five Million only). The Company has achieved standalone PBT of ₹ 74,447.00 million (Rupees Seventy Four Thousand Four Hundred Forty Seven Million only) and standalone PAT of ₹ 57,749.00 million (Rupees Fifty Seven Thousand Seven Hundred Forty Nine Million only). The Company achieved a standalone total Comprehensive Income of ₹ 57,813.00 million (Rupees Fifty Seven Thousand Eight Hundred Thirteen Million only). The standalone EPS for the Financial Year ended on March 31, 2025, was ₹ 57.39 (Rupees Fifty Seven and Paise Thirty Nine).

At a consolidated level, the Company has net cash of ₹ 48,836.00 million (Rupees Forty Eight Thousand Eight Hundred Thirty Six Million only). The Company's principal sources of liquidity are the cash flow generated from business operations, cash and cash equivalents and liquid investments and the Company maintains sufficient cash liquidity to meet its fund requirements.

The Company has robust processes and systems, which facilitate continuous monitoring and control over receivables, inventories and other parameters.

SHARE CAPITAL:

As at March 31, 2025, the Authorized, Issued, Subscribed and Paid-up Share Capital of the Company was as under:

A. Authorized Share Capital:

₹ 172.50 million (Rupees One Hundred Seventy Two Million Five Hundred Thousand only) divided into 172.50 million (One Hundred Seventy Two Million Five Hundred Thousand) equity shares of ₹ 1/- (Rupee One only) each.

B. Issued, Subscribed and Paid-up Share Capital:

₹ 1,006,233,990 (Rupees One Thousand Six Million Two Hundred Thirty Three Thousand Nine Hundred Ninety only) divided into 1,006,233,990 (One Thousand Six Million Two Hundred Thirty Three Thousand Nine Hundred Ninety) equity shares of ₹ 1/- (Rupee One only) each fully paid-up.

DIVIDEND:

Your Directors have recommended a final dividend of ₹ 11/- (Rupees Eleven only) (i.e. 1,100%) per equity share of ₹ 1/- (Rupee One only) each for the Financial Year ended on March 31, 2025. The final dividend, if declared by the members at the ensuing Annual General Meeting ("**AGM**"), will result into cash outflow of ₹ 11,068.57 million (Rupees Eleven Thousand Sixty Eight Million Five Hundred Seventy Thousand only) and will be paid to those members, whose names stand registered in the Register of Members on Friday, July 25, 2025, i.e. the record date. In respect of shares held in dematerialized mode, it will be paid to the members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited, as beneficial owners. The Dividend Payout Ratio for the Financial Year ended on March 31, 2025, is 24.46% of the consolidated profits.

As per the provisions of the Income-Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the members. Accordingly, the Company makes the payment of the dividend from time to time after deduction of tax at source.

Pursuant to and in compliance with regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**"), the Company has formulated Dividend Distribution Policy, which is approved by the Board of Directors ("the **Board**") and is uploaded on Company's website and the weblink of the same is provided in a separate section of Corporate Governance Report on Page No. 226, which forms a part of this Integrated Annual Report.

The Dividend Distribution Policy sets out the parameters to be considered by the Board in determining the quantum of the dividend and / or the utilization of the retained profits earned by the Company.

SECRETARIAL STANDARDS:

The Company is in compliance with Secretarial Standards on Meetings of Board of Directors and General Meetings issued by The Institute of Company Secretaries of India ("the **ICSI**").

MANAGEMENT DISCUSSION AND ANALYSIS ("MDA"):

Pursuant to and in compliance with the provisions of regulation 34(2)(e) read with Part B of Schedule V of the Listing

Regulations, MDA for the Financial Year ended on March 31, 2025, is presented in a separate section which forms a part of this Integrated Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to and in compliance with the provisions of Ind AS-110 on Consolidation of Financial Statements read with Ind AS-28 on Accounting for Investments in Associates and Joint Ventures and as prescribed under the provisions of the Act read with Schedule III of the Act and Rules framed thereunder and the Listing Regulations, the Audited Consolidated Financial Statements are provided in the Integrated Annual Report, which show the financial resources, assets, liabilities, income, profits and other details of the Company, its associate companies and its subsidiary companies after elimination of minority interest, as a single entity.

SUBSIDIARY AND JOINT VENTURE COMPANIES:

The Company has 18 (eighteen) Indian subsidiary companies (including 8 (eight) step down subsidiaries), 34 (thirty four) foreign subsidiary companies (including 23 (twenty three) step down subsidiaries) and 4 (four) joint venture companies as at March 31, 2025. In terms of rule 8(5) of the Accounts Rules, during the Financial Year ended on March 31, 2025, there has been no material change in the nature of business of the Company, subsidiary companies and joint venture companies. There is 1 (one) partnership firm in the group, in which 2 (two) subsidiary companies of the Company are the partners. More details are provided in the Audited Standalone Financial Statements. During the Financial Year ended on March 31, 2025, the Board reviewed the performance / affairs of the subsidiary companies.

Pursuant to and in compliance with the provisions of section 134(3) of the Act, read with rule 8(5) of the Accounts Rules, the details of changes in subsidiary and / or joint venture companies are as under:

i. Zydus Animal Health and Investments Limited ("**ZAHL**"), a wholly owned subsidiary of the Company, entered into a Share Purchase Agreement ("**SPA1**") on May 31, 2024, amongst Zydus Hospitals and Healthcare Research Private Limited ("**ZHHRPL**"), ZAHL and Zydus Medtech Private Limited ("**ZMPL**") for acquiring 10,000 (Ten Thousand) equity shares of ₹ 10/- (Rupees Ten only) each fully paid-up ("the **Sale Shares1**") of ZMPL, representing 100% of the paid-up share capital, from ZHHRPL at a consideration of ₹ 0.10 million (Rupees One Hundred Thousand only). Said transaction of acquisition of the Sale Shares1 was consummated on May 31, 2024. In view of the same, ZMPL became a wholly owned subsidiary of ZAHL.

   Later on, the Company entered into a Share Purchase Agreement ("**SPA2**") on March 11, 2025, amongst the Company, ZMPL and ZAHL for acquiring 24,500,000 (Twenty Four Million Five Hundred Thousand) equity shares ₹ 10/- (Rupees Ten only) each fully paid-up ("the **Sale Shares2**") of ZMPL, representing 100% of the paid-up share capital, from ZAHL at a consideration of ₹ 245 million (Rupees Two Hundred Forty Five Million only). Said transaction of acquisition of the Sale Shares2 was consummated on March 11, 2025. In view of the same, ZMPL became a direct wholly owned subsidiary of the Company.

ii. ZAHL entered into a Share Purchase and Share Subscription Agreement ("**SPA3**") amongst ZAHL, Perfect Day Inc., a Temasek portfolio company ("**PDI**") and Sterling Biotech Limited ("**SBL**") on August 23, 2024, for acquiring 3,216,730,980 (Three Thousand Two Hundred Sixteen Million Seven Hundred Thirty Thousand Nine Hundred Eighty) equity shares of ₹ 1/- (Rupee One only) each fully paid-up ("the **Sale Shares3**") of SBL, representing 50% of the paid-up share capital, at a consideration of ₹ 5,500 million (Rupees Five Thousand Five Hundred Million only) subject to certain adjustments with respect to cash and debt (including debt like items) as mentioned in the SPA3, from PDI as per the terms and conditions mentioned in the SPA3. Said transaction of acquisition of the Sale Shares3 was consummated on August 29, 2024. In view of the same, SBL became a joint venture company of ZAHL.

iii. The Company entered into a Business Transfer Agreement ("**BTA**") on September 17, 2024, to purchase the API business ("the **Target Business**") of SBL, on a going concern basis, on slump sale basis, without values being assigned to individual assets and liabilities, on cash-free and debt-free basis at a pre-defined lump-sum consideration of ₹ 840 million (Rupees Eight Hundred Forty Million only), subject to certain conditions precedent and closing date adjustments as provided in the BTA, with effect from such date, and in such manner and on the terms and conditions as mentioned in the BTA. Said transaction of acquisition is expected to be consummated by September 30, 2025.

iv. Pursuant to Certificate of Merger dated October 23, 2024, Nesher Pharmaceuticals (USA) LLC USA, ("**Nesher**") got merged with Zydus Pharmaceuticals USA Inc., USA ("**ZPUI**"). The said merger was effective from October 25, 2024.

   Nesher was the wholly owned subsidiary of ZPUI, which in turn is the wholly owned subsidiary of the Company. Nesher was not the material subsidiary of the Company and did not have any business activity at the time of merger. Merger of Nesher did not affect the business operations of the Company.

v. Zydus Wellness Limited ("**ZWL**"), a listed subsidiary of the Company, entered into Share Purchase Agreement ("**SPA4**") with the promoters and other shareholders of

Naturell (India) Private Limited ("**NIPL**") on October 30, 2024, for acquiring 15,078,605 (Fifteen Million Seventy Eight Thousand Six Hundred Five) equity shares of ₹ 1/- (Rupee One only) each fully paid-up ("the **Sale Shares4**") representing 100% of the paid-up share capital, at a consideration of ₹ 3,900 million (Rupees Three Thousand Nine Hundred Million only) and subject to the terms and conditions as mentioned in the SPA4. Said transaction of acquisition of the Sale Shares4 was consummated on December 2, 2024. In view of the same, NIPL became the wholly owned subsidiary of ZWL.

vi. ZAHL entered into a Share Purchase Agreement ("**SPA5**") with Rising Sun Holdings Private Limited ("**RSHPL**") and Mylab Discovery Solutions Private Limited ("**Mylab**") for acquiring 6,506,500 (Six Million Five Hundred Six Thousand Five Hundred) equity shares of face value of ₹ 1/- (Rupee One only) each fully paid-up, at an agreed consideration of ₹ 1,060 million (Rupees One Thousand Sixty Million only) representing 6.5% of the total paid-up share capital ("the **Sale Shares5**") of Mylab from RSHPL. The said transaction of acquisition of the Sale Shares5 was consummated on September 18, 2023.

Later on, pursuant to the terms and conditions of the SPA5, on December 16, 2024, ZAHL exercised its Put Option right to sell the Sale Shares5 back to RSHPL and RSHPL agreed to acquire the Sale Shares5 at the original consideration amount i.e. ₹ 1,060 million (Rupees One Thousand Sixty Million only). In view of the same, ZAHL ceased to hold any shares of Mylab.

vii. The Company entered into a Put Option Agreement, Share Purchase Agreements, and other agreements on March 11, 2025, for acquiring, directly or through its affiliates, a controlling stake i.e. 85.60% equity shares ("**Block Acquisition**") of Amplitude Surgical SA, France ("**Amplitude**") from the existing shareholders at a price of Euro 6.25 per equity share aggregating to a consideration value of Euro 256.80 million (Euro Two Hundred Fifty Six Million Eight Hundred Thousand only). Subject to closing of the Block Acquisition as mentioned hereinabove, the Company would file a mandatory simplified cash tender offer for all the remaining shares in Amplitude, at the same purchase price of Euro 6.25 per equity share of Amplitude, at an aggregate consideration of Euro 43.20 million (Euro Forty Three Million Two Hundred Thousand only). If the conditions are met at the end of the tender offer, the Company intends to proceed with a compulsory acquisition of the remaining shares from the minority shareholders (squeeze-out) and to delist Amplitude. Post completion of the mandatory tender offer, the Company intends to control the entire 100% equity shares of Amplitude. Based on above, the total consideration for entire 100% equity share capital of Amplitude would work out to Euro 300.00 million (Euro Three Hundred Million only). Said transaction of acquisition of shares of Amplitude will be completed subject to the relevant regulatory approval process. It is expected that the Block Acquisition would be completed, and the mandatory simplified cash tender offer would be filed with the Autorité des Marchés Financiers after the regulatory approvals are obtained, by December 2025. The opening of the subsequent tender offer will then remain subject to the AMF's clearance decision.

Pursuant to the provisions of section 136 of the Act, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not attached with the Balance Sheet of the Company. The Company will make available free of cost the Audited Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Financial Statements of the subsidiary companies will also be kept open for inspection. Pursuant to and in compliance with the provisions of sections 129, 134 and 136 of the Act and Rules framed thereunder and regulation 33 of the Listing Regulations, the Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

Pursuant to and in compliance with the provisions of section 129(3) of the Act and rules 5 and 8(1) of the Accounts Rules, a statement containing the salient features of the financial statements of its subsidiary and the joint venture companies is attached to the Audited Financial Statements in prescribed Form No. AOC-1. The statement also provides details of the performance and the financial position of the subsidiary and the joint venture companies. The consolidated financial statements presented in this Integrated Annual Report include financial results of the subsidiary and joint venture companies. Copies of the financial statements of the subsidiary companies is available on the website of the Company in the investor zone and can be accessed by using the link www.zyduslife.com. Pursuant to and in compliance with the provisions of regulation 46(2)(h) of the Listing Regulations, the policy relating to material subsidiaries, prepared in compliance with regulation 16(1)(c) of the Listing Regulations, is uploaded on Company's website and the weblink of the same is provided in a separate section of Corporate Governance Report on Page No. 226, which forms a part of this Integrated Annual Report.

As per the Company's policy to determine material subsidiary companies, read with the provisions of the Act and the Listing Regulations, Zydus Healthcare Limited ("**ZHL**"), Zydus Wellness Limited ("**ZWL**"), Zydus Wellness Products Limited ("**ZWPL**"), Zydus Animal Health and Investments Limited ("**ZAHL**") and Zydus

Pharmaceuticals USA Inc., USA ("**ZPUI**") are the material subsidiary companies of the Company, the details of which are provided in the Corporate Governance Report, which forms a part of this Integrated Annual Report.

Pursuant to and in compliance with the provisions of regulation 24(1) of the Listing Regulations, Mr. Bhadresh K. Shah, Independent Director ("**ID**"), is nominated on the Board of ZHL and ZPUI. The Company is not required to nominate ID on the Board of ZAHL, ZWL and ZWPL.

Pursuant to and in compliance with the provisions of section 134 of the Act and rule 8(1) of the Accounts Rules, the details of the performance of subsidiary and joint venture companies of the Company are covered in the MDA and Audited Financial Statements.

Your Company funds its subsidiary companies, from time to time, in the ordinary course of business and as per their funding requirements, through equity / preference shares, loan and / or other means for their business purposes.

INTEGRATED ANNUAL REPORT:

The Company believes in value creation and Integrated Annual Report is an effective tool to explore value creation by focusing on the Company's strategy, performance and governance based on various forms of capital i.e. financial capital, human capital, manufacturing capital, social capital, intellectual capital and natural capital. The Integrated Annual Report contains financial and non-financial information about the Company and helps various stakeholders to get a better understanding of the current position and long-term perspective of the Company which will enable them to take informed decisions. The Integrated Annual Report focuses on driving authentic, comprehensive and meaningful information covering all aspects of the Company's performance.

CORPORATE GOVERNANCE REPORT:

Pursuant to and in compliance with the provisions of regulation 34(3) read with Part C of Schedule V of the Listing Regulations, a report on Corporate Governance forms part of this Integrated Annual Report. Pursuant to and in compliance with the provisions of Part E of Schedule V of the Listing Regulations, a certificate confirming compliance with the conditions of corporate governance issued by Manoj Hurkat & Associates, Practicing Company Secretaries, is annexed to the Corporate Governance Report.

INSURANCE:

The Company's plants, properties, equipments and stocks / inventory are adequately insured against all major risks. The Company has insurance cover for product liability and clinical trials. Pursuant to and in compliance with the provisions of regulation 25(10) of the Listing Regulations, the Company has taken the Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

PUBLIC DEPOSITS:

The Company has neither accepted nor renewed any deposits from its members or public as per the provisions of sections 73 and 74 of the Act read with Rules framed thereunder and as such, no amount on account of principal or interest on deposits was outstanding as on the date of the balance sheet.

COST ACCOUNTS AND RECORDS:

Pursuant to and in compliance with the provisions of section 148(1) of the Act and Rules framed thereunder, the Company has maintained cost records as specified by the Central Government.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Pursuant to and in compliance with the provisions of section 134(3)(g) of the Act, details of loans, guarantees and investments covered under section 186(4) of the Act are given in the notes to the Audited Standalone Financial Statements, which forms part of this Integrated Annual Report.

FRAUDS:

During the Financial Year ended on March 31, 2025, the statutory auditors, the cost auditors and the secretarial auditors have not reported to the Audit Committee, under section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

RELATED PARTY TRANSACTIONS:

All contracts / arrangements / transactions entered into by the Company during the Financial Year ended on March 31, 2025, with related parties were in the ordinary course of business, on an arm's length basis, in accordance with the policy on related party transactions and had no conflict with the interest of the Company. All related party transactions are placed before the Audit Committee on a quarterly basis for review and approval.

Pursuant to and in compliance with the provisions of section 134(3)(h) of the Act read with rule 8(2) of the Account Rules, and the Listing Regulations, disclosure of particulars of material transactions (i.e. transactions exceeding ₹ 10,000 million (Rupees Ten Thousand Million only) or 10% (ten percent) of the annual turnover as per the last Audited Consolidated Financial Statements) with ZPUI entered into by the Company is annexed to this report as **Annexure-"A"**, which is in the prescribed Form No. AOC-2. Disclosures on related party transactions as per Ind-AS 24 are set out in Note No. 41 of the Audited Standalone Financial Statements.

As a part of the Company's annual planning process, before the beginning of a financial year, details of all the transactions proposed to be executed with related parties, including the estimated amounts of transactions to be executed and other relevant details, are approved by the Audit Committee and the Board.

Further approval is sought during the year for any new transaction / modification to the previously approved limits / terms of contracts with the related parties. This is followed by a quarterly review of the related party transactions by the Audit Committee.

Pursuant to and in compliance with the provisions of regulation 46(2)(g) of the Listing Regulations, the weblink to view the policy on materiality of related party transactions and dealing with related party transactions is provided in a separate section of Corporate Governance Report on Page No. 226, which forms a part of this Integrated Annual Report.

Pursuant to and in compliance with the provisions of regulation 23(9) of the Listing Regulations, the Company has filed the related party transactions with the stock exchanges on the date of disclosing the standalone and consolidated financial results.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As at March 31, 2025, your Company's Board is comprised of 9 (nine) Directors who have considerable experience in their respective fields, the details of which are provided in the below table:

Sr. No.	Category of Directors	Number of Directors	% age
1.	Independent Directors	5	55.56
	a. Woman Independent Directors (out of 1 above)	2	22.22
2.	Executive Directors	2	22.22
3.	Non-Executive Directors	2	22.22
4.	**Total (1+2+3)**	**9**	**100.00**

Other statutory details are provided in the Corporate Governance Report, which forms a part of this Integrated Annual Report.

i. Appointment / cessation of IDs:

Based on the recommendation of the Nomination and Remuneration Committee ("the **NRC**") and the Board, the members at the Twenty Ninth AGM held on August 9, 2024, passed the special resolution to appoint Ms. Shelina P. Parikh (DIN: 00468199) as an ID for the first term of 5 (five) consecutive years w.e.f. May 17, 2024.

At the time of the appointment of Ms. Shelina P. Parikh, based on her experience, expertise (including proficiency) and integrity, the Board formed an opinion that the said appointment is in the best interest of the Company.

Mr. Nitin R. Desai (DIN: 00140239) and Ms. Dharmishtaben N. Raval (DIN: 02792246) ceased to be the Directors as well as the IDs of the Company after the conclusion of the Twenty Ninth AGM held on August 9, 2024, consequent upon completion of their respective tenures.

ii. Re-appointment of Director:

Based on the recommendation of the NRC and the Board, the members at the Twenty Ninth AGM held on August 9, 2024, passed the special resolution to re-appoint Mr. Ganesh N. Nayak (DIN: 00017481) as the Whole Time Director, designated as the Executive Director for 1 (one) more year i.e. upto July 11, 2025.

Based on the recommendation of the NRC, the Board at its meeting held on May 20, 2025, passed a resolution to re-appoint Mr. Ganesh N. Nayak as the Director in employment of the Company w.e.f. July 12, 2025 for a further period of 5 (five) years i.e. up to July 11, 2030, notwithstanding the fact that Mr. Ganesh N. Nayak has already attained age of 70 (seventy) years, subject to approval of the members at the Thirtieth AGM scheduled to be held on August 12, 2025.

iii. Retirement by rotation:

Pursuant to and in compliance with the provisions of section 152(6) of the Act and in terms of the Articles of Association of the Company, Dr. Sharvil P. Patel, Managing Director, (DIN: 00131995) will retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

iv. Declaration of independence:

Pursuant to and in compliance with the provisions of section 134(3)(d) of the Act, the Company has received declaration of independence as stipulated under sections 149(6) and 149(7) of the Act and regulations 16(1)(b) and 25(8) of the Listing Regulations from IDs confirming that they are not disqualified for continuing as an ID. There has been no change in the circumstances affecting their status as an ID of the Company.

All IDs have complied with the Code prescribed under Schedule IV to the Act.

As per the declarations received, all the Directors of the Company, who are required to get registered, have registered themselves with The Indian Institute of Corporate Affairs. Further, they have qualified the online proficiency self-assessment test or are exempted from passing the test as required in terms of section 150 of the Act read with rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014.

The Board has taken on record the declaration and confirmation submitted by the IDs after undertaking due assessment of the veracity of the same.

v. Profile of Directors seeking re-appointment:

Pursuant to and in compliance with the provisions of regulation 36(3) of the Listing Regulations and standard

1.2.5 of Secretarial Standard on General Meetings, particulars of the Directors seeking re-appointment at the ensuing AGM are annexed to the notice convening Thirtieth AGM.

During the Financial Year ended on March 31, 2025, no Director of the Company has resigned.

vi. Key Managerial Personnel ("KMP"):

In compliance with the provisions of sections 2(51) and 203 of the Act, the following are the KMP as on March 31, 2025:

1. Dr. Sharvil P. Patel, Managing Director,
2. Mr. Ganesh N. Nayak, Executive Director,
3. Mr. Nitin D. Parekh, Chief Financial Officer and
4. Mr. Dhaval N. Soni, Company Secretary.

During the Financial Year ended on March 31, 2025, no KMP of the Company has resigned.

vii. Board Evaluation:

Pursuant to and in compliance with the provisions of the Act read with Rules framed thereunder and as provided in Schedule IV of the Act and regulation 17(10) of the Listing Regulations, the NRC and the Board have carried out an annual evaluation of its own performance, the Directors individually as well as its committees. Pursuant to and in compliance with the provisions of section 134(3)(p) of the Act read with rule 8(4) of the Account Rules, the manner in which the evaluation was carried out is provided in the Corporate Governance Report, which forms a part of this Integrated Annual Report.

In a separate meeting of IDs, the performance of the non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The NRC and the Board evaluated the performance of the (i) committees constituted by the Board and (ii) individual directors taking into consideration various aspects. While evaluating, following parameters were taken into consideration:

1. **Committees constituted by the Board:** Contribution of the committee in development of corporate strategy, proper formation of the committee, updates on the latest regulatory developments, and allocation of sufficient time for discussion at committee meetings.
2. **Individual directors:** Attendance at different meetings, preparedness to devote sufficient time for the meetings, relationship with the Chairman, other Board members, KMP and Senior Management, updating knowledge with latest developments in regulatory and market conditions, and expressing views on specialized agenda items.

The functioning of the Board, the committees constituted by the Board and performance of individual directors was found satisfactory.

viii. Nomination and Remuneration Policy:

Pursuant to and in compliance with the provisions of section 178(3) of the Act and regulation 19(4) of the Listing Regulations, the Board has on the recommendation of the NRC, framed a policy on selection and appointment of Directors, Senior Management and their remuneration. As per section 178(4) of the Act, the Nomination and Remuneration Policy and weblink of the same is provided in a separate section of Corporate Governance Report on Page No. 226, which forms a part of this Integrated Annual Report.

ix. Pecuniary relationships or transactions:

During the Financial Year ended on March 31, 2025, except those disclosed in the Audited Financial Statements, the non-executive directors of the Company had no pecuniary relationships or transactions with the Company.

x. Non-disqualification:

None of the Directors are disqualified from being appointed as directors as specified under section 164(1) and 164(2) of the Act read with rule 14(1) of The Companies (Appointment and Qualifications of Directors) Rules, 2014 or are debarred or disqualified by the Securities and Exchange Board of India ("**SEBI**"), Ministry of Corporate Affairs ("**MCA**") or any other such statutory authority.

xi. Remuneration to Directors, KMP and Senior Management:

Remuneration paid to the Directors, KMP and Senior Management is in accordance with the NRC Policy. More details are provided in the Corporate Governance Report which forms a part of this Integrated Annual Report.

Dr. Sharvil P. Patel, Managing Director, has not received any remuneration or commission from any of the subsidiary companies. He has received an aggregate sitting fees of ₹ 1.40 million (Rupees One Million Four Hundred Thousand only), towards sitting fees for attending the Board and committee meetings, as per the details provided in below table:

(₹ in million)

Sr. No.	Name of the company	Amount
1.	Zydus Healthcare Limited	0.70
2.	Zydus Wellness Limited	0.70
	Total	**1.40**

Mr. Ganesh N. Nayak, Executive Director, has not received any remuneration or commission from any of the subsidiary companies. He has received sitting fees of ₹ 1.00 million (Rupees One Million only) towards sitting fees for attending the Board and committee meetings of ZWL.

Further, the Company does not have a holding company, hence, the circumstance of any remuneration or commission from a holding company does not arise.

CREDIT RATING:

The details of credit ratings obtained during the Financial Year ended on March 31, 2025, are provided in below table (no change compared to the last year):

Sr. No.	Facility / Instrument	Amount (₹ in million)	Ratings
1.	Various Bank Facilities	47,240	Long term rating CRISIL AAA/Stable (Reaffirmed) Short term rating CRISIL A1+ (Reaffirmed)
2.	Commercial Papers (**CPs**) *	2,000	CRISIL A1+ (Reaffirmed)
3.	Non-Convertible Debentures (**NCDs**) *	500	CRISIL AAA/Stable (Reaffirmed)
4.		750	CRISIL AAA/Stable (Reaffirmed)

* No CPs / NCDs were issued during the Financial Year ended on March 31, 2025.

INSIDER TRADING REGULATIONS:

The Company has adopted the Code for Insider Trading as per The SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**Insider Trading Regulations**"). Other details on Insider Trading Regulations are provided in the Corporate Governance Report, which forms a part of this Integrated Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of sections 134(3)(c) and 134(5) of the Act and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

i. that in preparation of the Financial Statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any,

ii. that such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2025, and of the profit of the Company for the year ended on that date,

iii. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,

iv. that the annual financial statements have been prepared on a going concern basis,

v. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and

vi. that the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

TRANSFER OF SHARES AND DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF"):

Pursuant to and in compliance with the provisions of sections 124 and 125 of the Act and Rules framed thereunder, the Company transfers the unclaimed dividend and equity shares to IEPF, whose dividend has remained unclaimed for a continuous period of 7 (seven) years.

As at March 31, 2025, (i) 1,690,878 (one million six hundred ninety thousand eight hundred seventy eight) equity shares are lying with IEPF and (ii) there are no amounts due and outstanding to be credited to IEPF.

BOARD MEETINGS:

Pursuant to and in compliance with provisions of section 134(3)(b) of the Act, the details of the number of meetings held during the Financial Year ended on March 31, 2025, are provided below:

Sr. No.	Date of Board meeting
1.	May 2, 2024
2.	May 17, 2024
3.	August 9, 2024
4.	September 17, 2024
5.	November 12, 2024
6.	February 5, 2025
7.	March 11, 2025

Pursuant to and in compliance with provisions of section 173(1) of the Act, the time gap between any 2 (two) Board meetings was not more than 120 (one hundred twenty) days.

In compliance with the provisions of sections 175 and 179 of the Act, the Board approved 6 (six) resolutions by circulation, vide resolutions dated September 2, 2024, December 12, 2024, January 2, 2025, January 26, 2025, February 10, 2025, and March 24, 2025. Other information with regard to the Board meetings is given in the Corporate Governance Report, which forms a part of this Integrated Annual Report.

COMMITTEES:

As at March 31, 2025, the Company has 7 (seven) committees namely Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility and Environment Social and Governance Committee, Stakeholder's / Investor's Relationship Committee, Share Transfer Committee and Finance and Administration Committee.

The Board has accepted the recommendations of all the committees constituted by the Board.

A detailed note on the composition of the Board and its committees, governance of committees including its terms of reference, number of committee meetings held during the Financial Year ended on March 31, 2025, and attendance of the members, is provided in the Corporate Governance Report, which forms a part of this Integrated Annual Report. The composition and terms of reference of all the committees of the Board are in line with the provisions of the Act and the Listing Regulations.

CORPORATE GOVERNANCE:

The Company has complied with the Corporate Governance requirements under the Act and as stipulated under the Listing Regulations. A separate section on detailed report on the Corporate Governance practices followed by the Company under the Listing Regulations, along with a certificate from Manoj Hurkat & Associates, Practicing Company Secretaries, confirming the compliance, forms a part of this Integrated Annual Report.

AUDITORS AND THEIR REPORTS:

i. Statutory Auditors and Audit Report:

Deloitte Haskins & Sells LLP, Chartered Accountants ("**Deloitte**"), were appointed as the Statutory Auditors of the Company for a period of 5 (five) consecutive years from the conclusion of Twenty Second AGM till the conclusion of Twenty Seventh AGM.

Based on the recommendation of the Audit Committee and the Board, members at their Twenty Seventh AGM passed the resolution to re-appoint Deloitte as the Statutory Auditors of the Company for a further period of 5 (five) consecutive years from the conclusion of Twenty Seventh AGM till the conclusion of Thirty Second AGM in the calendar year 2027, with an authority to the Audit Committee and the Board to decide the remuneration payable to them.

Deloitte have furnished a declaration confirming their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company. Deloitte have also provided a certificate certifying that their appointment continues to be in compliance with the provisions of sections 139 and 141 of the Act.

Deloitte have issued an unmodified opinion on the financial statements for the Financial Year ended on March 31, 2025, and the same forms a part of this Integrated Annual Report.

The Board has duly reviewed the Statutory Auditors' Report and the observations and comments, appearing in the report, are self-explanatory and do not call for any further explanation / clarification by the Board as provided under section 134(3)(f) of the Act.

ii. Cost Auditors and Audit Report:

Pursuant to the provisions of section 148(3) of the Act and rules 3 and 4 of The Companies (Cost Records and Audit) Rules, 2014, ("the **Cost Rules**") the cost audit records maintained by the Company in respect of Drugs and Pharmaceuticals are required to be audited. The Board had, on the recommendation of the Audit Committee, appointed Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) to audit the cost records of the Company for the Financial Year ending on March 31, 2026, on a remuneration of ₹ 0.85 million (Rupees Eight Hundred Fifty Thousand only) plus applicable Goods and Services Tax and out of pocket expenses at actuals. Pursuant to the provisions of section 148 of the Act and rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be placed before the members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to Dalwadi & Associates is included at Item No. 5 of the Notice convening Thirtieth AGM.

Dalwadi & Associates holds a valid certificate of practice. They have confirmed that they are not disqualified under section 141 read with sections 139 and 148 of the Act and their appointment meets the requirements as prescribed under section 141(3) of the Act. They have also confirmed that they are independent of the management, and no orders or proceedings are pending against them relating to professional conduct before the Institute of Cost Accountants of India or any other competent court / authority.

The Cost Audit Report for the Financial Year ended on March 31, 2024, which was filed on September 5, 2024, did not contain any qualification, reservation, or adverse remark. The Cost Audit Report for the Financial Year ended on March 31, 2025, will be submitted within the prescribed timelines.

iii. Secretarial Auditors and Audit Report:

Pursuant to and in compliance with the provisions of regulation 24A(1) of the Listing Regulations and section

204 of the Act read with rules framed thereunder, based on the recommendation of the Audit Committee, the Board has recommended the appointment of SPANJ & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company for the first term of 5 (five) consecutive years, to the members for approval, at the ensuing Thirtieth AGM scheduled to be held on August 12, 2025, to undertake the Secretarial Audit of the Company. The said resolution seeking approval by members for the appointment of Secretarial Auditor is included at Item No. 7 of the Notice convening Thirtieth AGM. The appointment of Secretarial Auditor is also in compliance with the provisions of section 204 of the Act, rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the **Managerial Personnel Rules**").

SPANJ & Associates (i) is a partnership firm and holds a valid certificate of peer review issued by the ICSI, (ii) has not incurred any of the disqualifications as specified by the SEBI and (iii) shall render only those services which are approved by the Board.

Manoj Hurkat & Associates have provided the Secretarial Audit Report for the Financial Year ended on March 31, 2025, which is annexed herewith as **Annexure-"B"**. The Board has duly reviewed the Secretarial Audit Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board as provided under section 134(3)(f) of the Act. The Secretarial Audit Report does not contain any adverse remarks or qualifications.

Further, pursuant to and in compliance with the provisions of regulation 24A(1) of the Listing Regulations, the Secretarial Audit Report of ZHL and ZAHL, unlisted material subsidiary companies incorporated in India are annexed herewith as **Annexure-"B1"** and **Annexure-"B2"** respectively. The Secretarial Audit Report of ZHL and ZAHL were issued by peer reviewed company secretaries and do not contain any adverse remarks or qualifications.

ZWL and ZWPL are also material subsidiaries of the Company. ZWPL is a wholly owned subsidiary of ZWL, a listed entity and a subsidiary of the Company. In view of the same, secretarial audit reports of ZWL and ZWPL (which are also issued by peer reviewed company secretaries) are not required to be annexed with the Boards' Report of the Company.

iv. Annual Secretarial Compliance Report:

Pursuant to and in compliance with the provisions of regulation 24A(2) of the Listing Regulations, Manoj Hurkat & Associates, Practicing Company Secretaries have issued Annual Secretarial Compliance Report for the Financial Year ended March 31, 2025. Said report was presented at the Board meeting held on May 20, 2025. The Company will submit the said report to the stock exchanges within the prescribed time frame. The Annual Secretarial Compliance Report does not contain any adverse remarks or qualifications.

v. Internal Audit:

Ernst & Young LLP ("**EY**") and PricewaterhouseCoopers Services LLP ("**PWC**") are the joint internal auditors of the Company. Based on the recommendation of the Audit Committee, the Board at its meeting held on May 20, 2025, appointed EY and PWC as joint internal auditors for the Financial Year ending on March 31, 2026.

Moreover, the in-house management audit team carries out the internal audit of the operations of the Company. The local chartered accountant firms regularly conduct the audit of Consignment and Forwarding Agents of the Company.

Other details are provided in the Corporate Governance Report, which forms part of this Integrated Annual Report.

AWARDS AND RECOGNITIONS:

Details of awards and recognitions are provided separately in this Integrated Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ("BRSR"):

Pursuant to and in compliance with the provisions of regulation 34(2)(f) of the Listing Regulations, a separate section on BRSR forms a part of this Integrated Annual Report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") AND ENVIRONMENT SOCIAL AND GOVERNANCE ("ESG") COMMITTEE:

During the Financial Year ended on March 31, 2025, the Company contributed an amount of ₹ 639.61 million (Rupees Six Hundred Thirty Nine Million Six Hundred Ten Thousand only) towards various CSR activities. The CSR and ESG Committee confirmed that the implementation and monitoring of the CSR Policy was done in compliance with the CSR objectives and policy of the Company.

Pursuant to and in compliance with the provisions of section 135 of the Act read with section 134(3)(o) and rule 5 of The Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the **CSR Rules**"), the Board has constituted a CSR and ESG Committee. CSR Policy is placed on the Company's website. The details of the CSR and ESG Committee constitution, CSR activities and other details, as required under section 135 of the Act and the CSR Rules, are given in the CSR Report at **Annexure-"C"**.

A synopsis of the report of the Independent Agency for the CSR Project, to which Impact Assessment is applicable in terms of

the provisions of section 135 of the Act read with Rules framed thereunder, is provided in the CSR Report.

RISK MANAGEMENT:

Pursuant to and in compliance with the provisions of section 134(3)(n) of the Act and regulation 21 of the Listing Regulations, the Company has constituted a Risk Management Committee ("the **RMC**"). The details of the RMC and its terms of reference are set out in the Corporate Governance Report, which forms a part of this Integrated Annual Report.

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and take advance actions to prevent or mitigate them. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks. The Company has framed a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure.

During the Financial Year ended on March 31, 2025, the Company reviewed its Risk Management Policy, and no revision was considered necessary to the said policy.

Discussion on risks and concerns is covered in the MDA, which forms a part of this Integrated Annual Report.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

Pursuant to and in compliance with the provisions of section 134(5)(e) of the Act read with rule 8(5) of the Account Rules, the Company has designed and implemented a process driven framework for Internal Financial Controls ("**IFC**"). For the Financial Year ended on March 31, 2025, 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 Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved internal controls whenever the effect of such gaps would have a material effect on the Company's operations.

The Company has a well-placed, proper and adequate IFC system, which ensures:

- Orderly and efficient conduct of its business,
- Safeguarding of its assets,
- Prevention and detection of frauds and errors,
- Accuracy and completeness of the accounting records, and
- Timely preparation of reliable financial information.

The Board reviews the effectiveness of controls documented as a part of IFC framework and takes necessary corrective and preventive actions wherever weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and the Information Technology environment.

Based on this evaluation, no significant events had come to notice during the Financial Year ended on March 31, 2025, that have materially affected or are reasonably likely to materially affect our IFC. The management has also come to a conclusion that the IFC and other financial reporting was effective during the Financial Year ended on March 31, 2025, and is adequate considering the business operations of the Company. The Statutory Auditors of the Company have audited the IFC with reference to Financial Reporting and their Audit Report is annexed as an annexure to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements.

MANAGING RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:

i. Vigil Mechanism / Whistle Blower Policy:

The Company has built a reputation for doing business with honesty and integrity and it has zero tolerance for any type of unethical behavior or wrongdoing. The Company has in place a stringent vigil system to report unethical behavior in order to promote professionalism, fairness, dignity and ethical behavior in its employees.

Pursuant to and in compliance with the provisions of sections 177(9) and (10) of the Act, rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and regulation 22 of the Listing Regulations, the Company has established a robust vigil mechanism and framed Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy and Insider Trading Regulations. The Whistle Blower Policy, which is applicable to all the stakeholders, is uploaded on Company's website and the weblink of the same is provided in a separate section of Corporate Governance Report on Page No. 226, which forms a part of this Integrated Annual Report.

Pursuant to and in compliance with the provisions of regulation 18(3) read with clause 18 of Part C of Schedule II of the Listing Regulations, the Audit Committee reviews the functioning of the Vigil Mechanism / Whistle Blower Policy. No person was denied access to the chairman of the Audit Committee. No complaint was received under the whistle blower mechanism during the Financial Year ended on March 31, 2025.

ii. **Zydus Business Conduct Policy:**

The Company has framed "Zydus Business Conduct Policy" ("**Business Conduct Policy**") and is monitored by the President-Group Human Resources and Corporate Communication. Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the Business Conduct Policy. The objective of the Business Conduct Policy is to conduct the business in an honest, transparent and ethical manner. The Business Conduct Policy provides for anti-bribery and avoidance of other corrupt practices by the employees of the Company.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and 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 framed thereunder. In terms of section 134(3) of the Act read with rule 8(5) of the Accounts Rules, the Company has constituted an Internal Complaints Committee as required under the said Act.

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment.

The Company periodically conducts sessions for employees across the Company to build awareness about the Policy and the provisions of the said Act.

Complaints of sexual harassment received by the Company are investigated in accordance with the procedures prescribed and adequate steps are taken to resolve them. During the Financial Year ended on March 31, 2025, 6 (six) complaints were received and the same were resolved. No complaint was pending to be resolved as at March 31, 2025.

ANNUAL RETURN:

Pursuant to and in compliance with the provisions of section 92(3) read with section 134(3)(a) of the Act, Annual Return for the Financial Year ended on March 31, 2025, in prescribed Form No. MGT-7 is available on the website of the Company at www.zyduslife.com. The Annual Return will be filed with the Registrar of Companies within prescribed time frame.

PARTICULARS OF EMPLOYEES:

The information required under section 197(12) of the Act and rule 5(1) of the Managerial Personnel Rules is provided in **Annexure-"D"**.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Act read with rule 8(3) of the Accounts Rules, is provided in **Annexure-"E"**.

GENERAL DISCLOSURES:

During the Financial Year ended on March 31, 2025, the Company has not-

(i) issued any shares, warrants, debentures, bonds or any other convertible or non-convertible securities,

(ii) issued any shares with differential voting rights,

(iii) issued any sweat equity shares, and

(iv) made any changes in voting rights.

In terms of section 134(3) of the Act read with rule 8(5) of the Accounts Rules, for the Financial Year ended on March 31, 2025:

(i) there were no proceedings initiated / pending against the Company under the Insolvency and Bankruptcy Code, 2016 which can materially impact the business of the Company,

(ii) there were no instances where the Company required the valuation for a one-time settlement or while taking the loan from the Banks or Financial institutions, and

(iii) no significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in the future.

The equity shares of the Company were not suspended for trading during the Financial Year ended on March 31, 2025.

Disclosure pertaining to explanation for any deviation or variation in connection with certain terms of public issue, right issue, preferential issue, etc. is not applicable to the Company.

There were no revisions of the financial statements and the Board's Report during the Financial Year ended on March 31, 2025.

In terms of section 134(3)(l) of the Act, apart from what is mentioned in this report, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this report.

ACKNOWLEDGMENT:

Your Directors place on record their sincere appreciation for the continued co-operation and support extended to the Company by various Banks. Your Directors also thank the medical fraternity and patients for their patronage to the Company's products. Your Directors also place on record sincere appreciation of the continued hard work put in by the employees at all levels. Your Directors also thank the Company's vendors, investors, business associates, Stock Exchanges, banks, financial institutions, Government of India, State Governments and various departments and agencies for their support and co-operation.

Your Directors appreciate and value the contribution made by every member of the Zydus group.

On behalf of the Board of Directors

Pankaj R. Patel
Chairman
DIN: 00131852

Place : Ahmedabad
Date : May 20, 2025

Annexure-"A"

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of The Companies Act, 2013 and rule 8(2) of The Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act, including certain arm's length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not on an arm's length basis:

There were no contracts or arrangements or transactions entered into with related parties during the Financial Year ended on March 31, 2025, which were not on an arm's length basis.

B. Details of material contracts or arrangements or transactions on an arm's length basis:

Sr. No.	Name of the Related Party and Nature of Relationship	Nature of contract / arrangement or transaction	Duration of contract / arrangement or transaction	Salient terms of the contract / arrangement or transaction, including value, if any.	Date of approval by the Board of Directors	Amount paid as advance, if any.
1.	Zydus Pharmaceuticals USA Inc., USA (a wholly owned subsidiary company)	Supply and Distribution Agreement	On-going	Pricing of supply of products based on relevant guidelines of transfer pricing During the Financial Year ended on March 31, 2025, the aggregate value of transactions is ₹ 101,598.00 million.	March 30, 2024	Nil

On behalf of the Board of Directors

Pankaj R. Patel
Chairman
DIN: 00131852

Place : Ahmedabad
Date : May 20, 2025

Annexure-"B"

Secretarial Audit Report of Zydus Lifesciences Limited (Form MR-3)

For the Financial Year ended on March 31, 2025
(Pursuant to section 204(1) of The Companies Act, 2013 and rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members
ZYDUS LIFESCIENCES LIMITED
(CIN: L24230GJ1995PLC025878)
'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej-Gandhinagar Highway,
Ahmedabad-382481

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ZYDUS LIFESCIENCES LIMITED** (hereinafter called 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 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

I. The Companies Act, 2013 ('the **Act**') and the Rules framed thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules framed thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. The 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**') to the extent applicable to the 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 Equities) 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 (Buyback of Securities) Regulations, 2018;

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

VI. **We further report that** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof,

on test-check basis, the Company has complied with the provisions of The Drugs and Cosmetics Act, 1940 and Rules framed thereunder, as is specifically applicable to the Company.

We further report that:

a) 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.

b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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 following events / actions have taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

a. The Company has sold and transferred 1,24,99,999 equity shares of Bayer Zydus Pharma Private Limited (**"BZPPL"**) to Bayer Pharmaceuticals Private Limited on May 6, 2024. In view of the same, BZPPL ceased to be the joint venture of the Company.

b. Zydus Animal Health and Investments Limited (**"ZAHL"**), a wholly owned subsidiary of the Company, entered into a Share Purchase Agreement (**"SPA1"**) on May 31, 2024, amongst Zydus Hospitals and Healthcare Research Private Limited (**"ZHHRPL"**), ZAHIL and Zydus Medtech Private Limited (**"ZMPL"**) for acquiring 10,000 (Ten Thousand) equity shares of ₹ 10/- (Rupees Ten only) each fully paid-up ("the **Sale Shares1**") of ZMPL, representing 100% of the paid-up share capital, from ZHHRPL at a consideration of ₹ 0.10 million (Rupees One Hundred Thousand only). Said transaction of acquisition of the Sale Shares1 was consummated on May 31, 2024. In view of the same, ZMPL became a wholly owned subsidiary of ZAHL.

Later on, the Company entered into a Share Purchase Agreement (**"SPA2"**) on March 11, 2025, amongst the Company, ZMPL and ZAHL for acquiring 24,500,000 (Twenty Four Million Five Hundred Thousand) equity shares ₹ 10/- (Rupees Ten only) each fully paid-up ("the **Sale Shares2**") of ZMPL, representing 100% of the paid-up share capital, from ZAHL at a consideration of ₹ 245 million (Rupees Two Hundred Forty Five Million only). Said transaction of acquisition of the Sale Shares2 was consummated on March 11, 2025. In view of the same, ZMPL became a direct wholly owned subsidiary of the Company.

c. ZAHL entered into a Share Purchase and Share Subscription Agreement (**"SPA3"**) amongst Perfect Day Inc. (**"PDI"**) and Sterling Biotech Limited (**"SBL"**) ZAHIL, PDI and SBL on August 23, 2024, for acquiring 3,216,730,980 (Three Thousand Two Hundred Sixteen Million Seven Hundred Thirty Thousand Nine Hundred Eighty) equity shares of ₹ 1/- (Rupee One only) each fully paid-up ("the **Sale Shares3**") of SBL, representing 50% of the paid-up share capital, at a consideration of ₹ 5,500 million (Rupees Five Thousand Five Hundred Million only) subject to certain adjustments with respect to cash and debt (including debt like items) as mentioned in the SPA3, from PDI as per the terms and conditions as mentioned in the SPA3. Said transaction of acquisition of the Sale Shares3 was consummated on August 29, 2024. In view of the same, SBL became a joint venture company of ZAHL.

d. The Company entered into a Business Transfer Agreement (**"BTA"**) on September 17, 2024, to purchase the API business ("the **Target Business**") of SBL, on a going concern basis, on slump sale basis, without values being assigned to individual assets and liabilities, on cash-free and debt-free basis at a pre-defined lump-sum consideration of ₹ 840 million (Rupees Eight Hundred Forty Million only), subject to certain conditions precedent and closing date adjustments as provided in the BTA, with effect from such date, and in such manner and on the terms and conditions as mentioned in the BTA. Said transaction of acquisition is expected to be consummated by September 30, 2025.

e. Zydus Wellness Limited (**"ZWL"**), a listed subsidiary of the Company, entered into Share Purchase Agreement (**"SPA4"**) with the promoters and other shareholders of Naturell (India) Private Limited (**"NIPL"**) on October 30, 2024, for acquiring 15,078,605 (Fifteen Million Seventy Eight Thousand Six Hundred Five) equity shares of ₹ 1/- (Rupee One only) each fully paid-up ("the **Sale Shares4**") representing 100% of the paid-up share capital, at a consideration of ₹ 3,900 million (Rupees Three Thousand Nine Hundred Million only) and subject to the terms and conditions as mentioned in the SPA4. Said transaction of acquisition of the Sale Shares4 was consummated on December 2, 2024. In view of the same, NIPL became the wholly owned subsidiary of ZWL.

f. ZAHL entered into a Share Purchase Agreement ("**SPA5**") with Rising Sun Holdings Private Limited ("**RSHPL**") and Mylab Discovery Solutions Private Limited ("**Mylab**") for acquiring 6,506,500 (Six Million Five Hundred Six Thousand Five Hundred) equity shares of face value of ₹ 1/- (Rupee One only) each fully paid-up, at an agreed consideration of ₹ 1,060 million (Rupees One Thousand Sixty Million only) representing 6.5% of the total paid-up equity share capital ("the **Sale Shares5**") of Mylab from RSHPL. The said transaction of acquisition of the Sale Shares5 was consummated on September 18, 2023.

   Later on, pursuant to the terms and conditions of the SPA5, on December 16, 2024, ZAHL exercised its Put Option right to sell the Sale Shares5 back to RSHPL and RSHPL agreed to acquire the Sale Shares5 at the original consideration amount i.e. ₹ 1,060 million (Rupees One Thousand Sixty Million only). In view of the same, ZAHL ceased to hold any shares of Mylab.

g. The Company entered into a Put Option Agreement, Share Purchase Agreements, and other agreements on March 11, 2025, for acquiring, directly or through its affiliates, a controlling stake i.e. 85.6% equity shares ("**Block Acquisition**") of Amplitude Surgical SA, France ("**Amplitude**") from the existing shareholders at a price of Euro 6.25 per equity share aggregating to a consideration value of Euro 256.8 million (Euro Two Hundred Fifty Six Million Eight Hundred Thousand only). Subject to closing of the Block Acquisition as mentioned hereinabove, the Company would file a mandatory simplified cash tender offer for all the remaining shares in Amplitude, at the same purchase price of Euro 6.25 per equity share of Amplitude, at an aggregate consideration of Euro 43.2 million (Euro Forty Three Million Two Hundred Thousand only). If the conditions are met at the end of the tender offer, the Company intends to proceed with a compulsory acquisition of the remaining shares from the minority shareholders (squeeze-out) and to delist Amplitude. Post completion of the mandatory tender offer, the Company intends to control the entire 100% equity shares of Amplitude. Based on above, the total consideration for entire 100% equity share capital of Amplitude would work out to Euro 300 million (Euro Three Hundred Million only). Said transaction of acquisition of shares of Amplitude will be completed subject to the relevant regulatory approval process. It is expected that the Block Acquisition would be completed, and the mandatory simplified cash tender offer would be filed with the Autorité des Marchés Financiers ("**AMF**") after the regulatory approvals are obtained, by the end of December 2025. The opening of the subsequent tender offer will then remain subject to the AMF's clearance decision.

Barring this, during the audit period, no other events/actions has taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For, **MANOJ HURKAT & ASSOCIATES**
Practicing Company Secretaries
FRN: P2011GJ025800
PR Certificate No.: 5985/2024

MANOJ R HURKAT
Partner
FCS No.4287, C P No.: 2574
UDIN: F004287G000344242

Place : Ahmedabad
Date : May 20, 2025

Note: This Report is to be read with our letter of even date which is annexed as **Annexure A** and form an integral part of this Report.

ANNEXURE A

To
The Members
ZYDUS LIFESCIENCES LIMITED
(CIN: L24230GJ1995PLC025878)
'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle,
Sarkhej-Gandhinagar Highway, Ahmedabad-382481

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

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on a 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.
7. The Secretarial audit was conducted in accordance with Auditing Standards issued by the Institute of Company Secretaries of India and in a manner which involved such examinations and verifications as considered necessary and adequate for the said purpose.

For, **MANOJ HURKAT & ASSOCIATES**
Practicing Company Secretaries
FRN: P2011GJ025800
PR Certificate No.: 5985/2024

MANOJ R HURKAT
Partner
FCS No.4287, C P No.: 2574
UDIN: F004287G000344242

Place : Ahmedabad
Date : May 20, 2025

Annexure-"B1"

Secretarial Audit Report of Zydus Healthcare Limited (Form MR-3)

For the Financial Year ended on March 31, 2025
(Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
ZYDUS HEALTHCARE LIMITED
"Zydus Corporate Park", Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway,
Ahmedabad-382481

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zydus Healthcare Limited** (hereinafter called "the **Company**"). The 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 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 in electronic form and on physical verification of records during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure I for the financial year ended on March 31, 2025, according to the provisions of:

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

ii) The Securities Contracts (Regulation) Act, 1956 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**") as amended from time to time:

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;

h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; and

i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

However, it is reported that there were no instances requiring compliance with the provisions of the laws indicated at para (v) mentioned hereinabove during the period under review as the regulations said were not applicable to the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India from time to time; and

(ii) The Listing Agreements entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

However, it was noted that since securities of the Company are not listed on any recognized stock exchanges, clauses of listing agreement and rules of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 were not applicable except the regulations applicable to material subsidiary of a listed entity.

vi) We further report that having regard to the compliance management system prevailing in the Company in relation to other applicable sector specific laws, we have relied on the confirmations of compliances placed before the board which were made available to us for our verification and were considered as assurance for existence of proper compliance management system.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other applicable laws mentioned hereinabove. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under laws and regulations applicable to the Company mentioned hereinabove.

We report that the Board of Directors of the Company is duly constituted with a proper balance of the Executive Directors and the Non-executive Directors (Independent and Non-independent).

We further report that during the year under review, the following changes occurred in the composition of the Board:

Sr. No.	Name of the Director / KMP	Appointment / Cessation	Date of appointment / Cessation	Remarks
1.	Ms. Dharmishta N. Raval	Cessation	August 5, 2024	On completion of her tenure in Zydus Lifesciences Limited, (ZLL) the parent company.
2.	Mr. Bhadresh K. Shah	Appointment	August 5, 2024	Being nominated by ZLL as per provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3.	Mr. Harish Sadana	Cessation	Closing of business hours of February 10, 2025	Resigned as Managing Director / Director and an employee of the Company.
4.	Mr. Vijay Bhalerao	Appointment	February 11, 2025	Appointed as Whole Time Director.
5.	Dr. Bhavana S. Doshi	Cessation	March 6, 2025	Ceased to be Director on account of her death.
6.	Ms. Dharmishta N. Raval	Appointment	March 24, 2025	Appointed as an Additional Woman Director (Non-Executive).

Adequate notices are given to all the Directors to schedule the Board and the other Committee meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting Members' views are captured and recorded as part of the minutes, wherever required.

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 the applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Signature:
Name of practicing CS: **Ashish C. Doshi, Partner**
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No. : F3544
C P No : 2356
PR No. : 6467/2025
UDIN : F003544G000359625

Place : Ahmedabad
Date : May 16, 2025

Note: This report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

Annexure I

To,
The Members
ZYDUS HEALTHCARE LIMITED
"Zydus Corporate Park", Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway,
Ahmedabad-382481

Dear Sir,

Sub.:Secretarial Audit Report for the Financial Year ended on March 31, 2025

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. The verification of the correctness and appropriateness of financial records and Books of accounts of the Company was falling within the purview of statutory auditors and therefore, we have relied on the audit carried out by them.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a 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.

Signature:
Name of practicing CS: **Ashish C. Doshi, Partner**
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No. : F3544
C P No : 2356
PR No. : 6467/2025
UDIN : F003544G000359625

Place : Ahmedabad
Date : May 16, 2025

ANNEXURE-"B2"

Secretarial Audit Report of Zydus Animal Health and Investments Limited (Form MR-3)

For the financial year ended March 31, 2025
(Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
ZYDUS ANIMAL HEALTH AND INVESTMENTS LIMITED
(Formerly known as Violio Pharmaceuticals Limited and then Violio Pharmaceuticals and Investments Limited)
CIN: U24236GJ2018PLC102269
Zydus Corporate Park, Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, Ahmedabad 382481

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s ZYDUS ANIMAL HEALTH AND INVESTMENTS LIMITED** (hereinafter called 'the **Company**') (formerly known as Violio Pharmaceuticals Limited and then Violio Pharmaceuticals and Investments Limited). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit through electronically by way of scan copy or soft copy through mail or otherwise, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, generally complied with the material 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:

I have examined through electronically by way of scan copy or soft copy through mail or otherwise, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

(i) The Companies Act, 2013 ('the **Act**') and the Rules framed thereunder as applicable;

(ii) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India;

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

(iv) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules framed thereunder.

(v) 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;

During the period under review, the Company has generally complied with all the material aspects of the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Further being a Pharmaceutical Company (Animal Healthcare), Biological Diversity Act, 2002 and their Rules are applicable to the Company, for which examination of the relevant documents and records, on test check basis, have been carried out.

During the Period under review, provisions of the following regulations were not applicable to the Company:

i. 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;

ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') viz:-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021;

(e) Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021;

(f) SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016 and 2021; and

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

iii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 ("**SEBI (LODR) Regulations, 2015**"), as the Company is an Unlisted Company. However, the Company is defined as material subsidiary company under Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015. The Company is also defined as wholly owned subsidiary company of Zydus Lifesciences Limited, being a Listed Company ("**ZLL**").

I further report that –

The compliance by the Company of applicable financial laws and direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Woman Director and Non-Executive Directors, as on close of the financial year. During the year, change in the Board of Directors took place after carrying out relevant compliance for the same. After death of the woman Director on March 6, 2025, new woman Director was appointed on March 24, 2025.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally 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.

During the year, all decisions in the Board Meetings were carried unanimously.

I further report that during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

1. The Company has acquired 100% of the total paid-up equity share capital of Zydus Medtech Private Limited ("**ZMPL**") from Zydus Hospitals & Healthcare Research Private Limited to the extent of ₹ 0.10 million (Rupees One Hundred Thousand only) and also made further investment in ZMPL to the extent of ₹ 244.90 million (Rupees Two Hundred Forty Four Million Nine Hundred Thousand only) and making ZMPL as its wholly owned subsidiary company. Thereafter, entire share capital of ZMPL was sold and transferred to ZLL.
2. The Company has redeemed 360 million (Three Hundred Sixty Million) 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred only) each ("**OCRPS**"), consisting of ₹ 3,600 million (Rupees Three Thousand Six Hundred Million only) of ZLL, out of the profits of the Company.
3. The company has re-appointed Mr. Pramod Lokhande (DIN-09344837) as the Whole Time Director of the Company for one more year i.e. upto October 3, 2025, via members consent in extra ordinary general meeting dated October 29, 2024.
4. The Company has acquired 3,216,730,980 (Three Thousand Two Hundred Sixteen Million Seven Hundred Thirty Thousand Nine Hundred Eighty) fully paid-up equity shares of ₹ 1/- (Rupee One only) each, representing 50% of the equity share capital of Sterling Biotech Limited ("the **Target Company**") from Perfect Day Inc., ("the **Seller**") at consideration of ₹ 5,500 million (Rupees Five Thousand Five Hundred Million only), subject to certain conditions as mentioned in the Share Purchase and Share Subscription Agreement entered into amongst the Company, the Seller and the Target Company. By virtue of this, the Target Company becomes JV/Associate company of the Company.
5. The Company has sold and transferred 6,506,500 (Six Million Five Hundred Six Thousand Five Hundred) fully paid-up equity shares of face value of ₹ 1/- each (Rupee One only) of Mylab Discovery Solutions Private Limited ("**Mylab**") back to Rising Sun Holdings Private Limited ("the **Purchaser**") at the original consideration amount i.e. ₹ 1,060 million (Rupees One Thousand Sixty Million only).
6. The Company has altered its Article of Association ("**AoA**") by inserting new clause 6A pertaining to conversion of OCRPS into equity shares, through the members' consent in the extra ordinary general meeting dated March 25, 2025.
7. The Company has increased the Authorized Share Capital of the Company from existing ₹ 23,000,000,000/- (Rupees Twenty Three Thousand Million only) divided into ₹ 50,000,000/- (Rupees Fifty Million only) divided into 5,000,000 (Five Million) equity shares of ₹ 10/- (Rupees Ten only) each and ₹ 22,950,000,000/- (Rupees Twenty Two Thousand Nine Hundred Fifty Million only) divided into 2,295,000,000 (Two Thousand Two Hundred Ninety Five Million) 8% Optionally Convertible Non-Cumulative

Redeemable Preference Shares of ₹ 10/- (Rupees Ten only) each to ₹ 23,100,000,000/- (Rupees Twenty Three Thousand One Hundred Million only) divided into ₹ 150,000,000/- (Rupees One Hundred Fifty Million only) divided into 15,000,000 (Fifteen Million) equity shares of ₹ 10/- (Rupees Ten only) each and ₹ 22,950,000,000/- (Rupees Twenty Two Thousand Nine Hundred Fifty Million only) divided into 2,295,000,000 (Two Thousand Two Hundred Ninety Five Million) 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- (Rupees Ten only), with the members' consent in extra ordinary general meeting dated March 25, 2025.

8. The Company issued and allotted 12,500,000 (Twelve Million Five Hundred Thousand) equity shares of ₹ 10/- (Rupees Ten only) each at a conversion price of ₹ 10/- (Rupees Ten only) per share, for an aggregate value of ₹ 125,000,000 (Rupees One Hundred Twenty Five Million only), upon conversion of OCRPS into equity shares, to ZLL, with the members' consent in extra ordinary general meeting dated March 25, 2025, and allotment of such shares was made on March 26, 2025.

9. The Company has ratified its related party transactions carried out with ZyVet Animal Health Inc. and Zydus Infrastructure Private Limited in the members AGM.

Signature:
Name of Company Secretary in practice: **Tapan Shah**
FCS No. : 4476
C P No. : 2839
UDIN : F004476G000312333
PR No. : 6457/2025

Place : Ahmedabad
Date : May 12, 2025

Note: This Report is to be read with my letter of above date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members,
ZYDUS ANIMAL HEALTH AND INVESTMENTS LIMITED
(Formerly known as Violio Pharmaceuticals Limited and then
Violio Pharmaceuticals and Investments Limited)
CIN: U24236GJ2018PLC102269
Zydus Corporate Park, Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, Ahmedabad 382481

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

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:
Name of Company Secretary in practice: **Tapan Shah**
FCS No. : 4476
C P No. : 2839
UDIN : F004476G000312333
PR No. : 6457/2025

Place : Ahmedabad
Date : May 12, 2025

Annexure-"C"

Annual Report on Corporate Social Responsibility ("CSR") activities

1. Brief outline on CSR Policy of the Company:

Pursuant to and in compliance with the provisions of section 135(4)(a) of the Act and rule 6 of the CSR Rules, the Company has framed a CSR Policy. The Company has outlined the following thrust areas in the CSR Policy:

i) Healthcare / Medical Facility

ii) Skill Development / Empowerment

iii) Community Development

iv) Education / Knowledge Enhancement

v) Infrastructure Development

vi) Environment Protection

vii) Others as may be decided

The Board, on the recommendation of the CSR and ESG Committee, approved the CSR spending, apart from others, for providing support in key areas like (a) healthcare, (b) education, (c) skill development, (d) research and innovation and (e) environment sustainability.

The brief details of the CSR activities carried out under the above key areas are as under:

(₹ in million)

Sr. No.	CSR Area	Activity	Amount contributed
a.	**Healthcare**		
i.	Zydus Foundation	The Company contributed funds for financing / refinancing construction, operation and maintenance of infrastructure facilities of hospital & medical college at Dahod.	551.59
ii.	Sanitation Project	The Company constructed five large toilet blocks for boys and girls in five rural schools in the Shirpur block of Maharashtra, benefiting 2,800 rural students.	35.55
Total a (i + ii)			**587.14**
b.	**Education**		
i.	Renovation / re-building of school	The Company completed the second phase of renovation / re-building the Secondary Trust School, on the outskirts of Ahmedabad, to provide a conducive education environment and play area for the under privileged students residing in the vicinity of Changodar, Gujarat.	11.36
ii.	Educational programs	The Company provided scholarships to 200 meritorious and financially needy pharmacy and tribal students.	5.82
		The Company conducted remedial classes for the residential specially abled students to provide additional educational support in key subjects. It also provided qualified teachers to support higher education and a sport teacher for the specially abled students. The Company also conducted the training programs on disability act for the teachers of specially abled school.	0.50
	Total b (i + ii)		**17.68**

(₹ in million)

Sr. No.	CSR Area	Activity	Amount contributed
c.	**Skill Development Program**		
i.	Skill development programs for specially abled	The Company conducted skill development programs such as video making and sewing courses to impart the livelihood skills to the specially abled students (deaf and mute) to achieve economic independence.	0.63
ii.	Skill development programs for less privileged women / NGOs	The Company conducted skill based development programs such as Soap making, basic and advance beauty parlour, food processing, jewellery making for less privileged women of Vadodara and Ahmedabad and gave a platform to empower women to become self-reliant. The Company provided a platform for various NGOs to showcase their products created by artisans.	2.10
	Total c (i + ii)		**2.73**
d.	**Research and innovation**		
i.	Grass-root innovation program	The Company conducted grass-root innovation program to support innovators from Gujarat in various sectors like healthcare, environment / waste management, technology and engineering and water management.	4.06
	Total d		**4.06**
e.	**Environment sustainability**		
i.	Zydus watershed Projects in Gujarat and Maharashtra	The Company created 68 water harvesting structures in water stressed villages of Gujarat and Maharashtra to improve water availability & sustainability through ground water recharge.	25.38
ii.	Banganga lake beautification and restoration of ghats	The Company restored the existing lake ghat of Banganga lake to increase the ground water level and protecting and preserving water reservoir and maintaining biodiversity. The lake was inaugurated by Hon'ble Chief Minister Mr. Bhupendra Patel and Mr. Pankaj Patel, Chairman of the Company.	0.44
iii.	Green Gujarat initiative	The Company launched Green Gujarat initiative 2.0 wherein more than 15,000 (fifteen thousand) employees and 12,000 (twelve thousand) students participated to create 1.34 lacs tree native seed balls and dispersed through drone in the forest of Gandhinagar to increase green cover. The Company also carried out tree plantation at various sites. The Company also introduced employee voluntary programs to engage employees in community service and philanthropic activities and carried out various community care programs	0.99
		The company installed a solar roof top at specially abled school.	1.19
	Total e (i + ii + iii)		**28.00**
	Grand Total (a + b + c + d + e)		**639.61**

2. Composition of the CSR and ESG Committee:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of CSR and ESG Committee meetings	
			Held	Attended
1.	Mr. Pankaj R. Patel	Chairman of the CSR and ESG Committee and Non-Executive Chairman of the Board	4	4
2.	Dr. Sharvil P. Patel	Member of the CSR and ESG Committee and Managing Director		4
3.	Ms. Dharmishtaben N. Raval	Member of the CSR and ESG Committee and Independent Woman Director		1
4.	Ms. Upasana K. Konidela	Member of the CSR and ESG Committee and Independent Woman Director		3
5.	Ms. Shelina P. Parikh	Member of the CSR and ESG Committee and Independent Woman Director		3

Note: The Board at its meeting held on May 17, 2024, passed a resolution to re-constitute the CSR and ESG Committee, by virtue of which Ms. Dharmishtaben N. Raval ceased and Ms. Shelina P. Parikh was inducted as a member w.e.f. May 17, 2024.

3. Provide the web-link where composition of the CSR and ESG committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:

Composition of the CSR and ESG Committee: https://www.zyduslife.com/compcommittee.html

CSR Policy: https://www.zyduslife.com/public/pdf/companypolicy/Corporate-Social-Responsibility-Policy.pdf

CSR Projects approved by the Board: https://zyduslife.com/public/pdf/financial/CSR-Projects.pdf

4. Executive summary along with web-links of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Soulace, an independent agency, has carried out the Impact Assessment of various CSR Projects undertaken by the Company (directly or through implementing agency) wherever applicable in compliance with provisions of rule 8(3) of the CSR Rules. Said report is available on the website of the Company, the weblink of which is https://www.zyduslife.com/public/pdf/Zydus-Impact-Assessment-24.pdf.

The executive summary of the Impact Assessment of CSR Projects is attached as **Annexure-"C1"**.

5. (a) Average net profit of the Company as per section 135(5):

₹ 21,746.00 million (Rupees Twenty One Thousand Seven Hundred Forty Six Million only)

(b) Two percent of average net profit of the Company as per section 135(5):

₹ 434.00 million (Rupees Four Hundred Thirty Four Million only)

(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:

₹ 81.07 million (Rupees Eighty One Million Seventy Thousand only)

(e) Total CSR obligation for the financial year (b+c-d):

₹ 352.93 million (Rupees Three Hundred Fifty Two Million Nine Hundred Thirty Thousand only)

6. (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing project):

₹ 639.61 million (Rupees Six Hundred Thirty Nine Million Six Hundred Ten Thousand only)

(b) Amount spent in Administrative Overheads:

Nil

(c) Amount spent on Impact Assessment, if applicable:

₹ 0.4 million (Rupees Four Hundred Thousand only)

(d) Total amount spent for the Financial Year (a+b+c):

₹ 640.01 million (Rupees Six Hundred Forty Million Ten Thousand only) (which includes ₹ 0.4 million (Rupees Four Hundred Thousand only) towards Impact Assessment)

(e) CSR amount spent or unspent during the Financial Year:

(₹ in million)

Total Amount Spent for the Financial Year	Amount unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of transfer
640.01			N.A.		

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

(₹ in million)

Sr. No.	Particulars	Amount
i.	Two percent of average net profit of the Company as per section 135(5)	434.00
ii.	Amount set-off for the Financial Year	81.07
iii.	Amount to be spent for the Financial Year [(i)-(ii)]	352.93
iv.	Total amount spent for the Financial Year	639.61
v.	Excess amount spent for the Financial Year [(iv)-(iii)]	286.68
vi.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
vii.	Amount available for set off in succeeding financial years [(iv)-(v)]	286.68

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Balance Amount in Unspent CSR Account under subsection (6) of section 135	Amount spent in the Financial Year	Amount transferred to a Fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
N.A.								

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

☐ Yes ☑ No

If yes, enter the number of capital assets created / acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity / authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
N.A.							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135:

Not Applicable

Pankaj R. Patel
Chairman of the Board and
the CSR & ESG Committee
DIN: 00131852

Sharvil P. Patel
Managing Director
DIN: 00131995

Place : Ahmedabad
Date : May 20, 2025

Annexure-"C1"

Executive summary of Impact Assessment report of the applicable CSR Projects:

In terms of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, as the Company's average CSR obligation was more than ₹ 100.00 million (Rupees One Hundred Million only) in the 3 (three) immediately preceding financial years, the Company has undertaken impact assessment, through Soulace, an independent agency, for the CSR projects having outlays of ₹ 10.00 million (Rupees Ten Million only) or more.

FOLLOWING IS THE SUMMARY OF IMPACT ASSESSMENT REPORT OF ELIGIBLE CSR PROJECTS:

1. **Project Name: Zydus Medical College and Hospital ("ZMCH")**

   Beneficiaries: Tribal and underserved populations

   Location: Dahod, Gujarat

   Implemented: through Zydus Foundation, implementing agency

   The Zydus Foundation, the CSR arm of Zydus Group, in collaboration with the Gujarat Government, established ZMCH in Dahod in 2017. This project aimed to address healthcare challenges in the region by providing high quality tertiary healthcare services to tribal and underserved populations across Eastern Gujarat and neighbouring districts of Madhya Pradesh and Rajasthan. With over 1,034 beds and a team of 350 doctors, 500 nursing staff, and paramedics, ZMCH offers comprehensive medical services free of cost.

Key Findings	Key Impacts
96% of respondents prefer Zydus Hospital now.	Zydus Hospital is a preferred choice for acute medical needs.
100% positive feedback for doctors.	Zydus Hospital is frequently accessed for chronic medical needs.
96% positive feedback for nursing staffs.	ZMCH's location is highly accessible.
100% ratings in cleanliness, waiting area, and equipment demonstrate excellent hospital infrastructure.	ZMCH provides a supportive environment.
98% rating in Affordable Care highlights the hospital's commitment to accessibility.	Emergency services at ZMCH are commendable.
25% earn between ₹ 7,001-10,000 per month show that nearly quarter percentage of respondents earn relatively a very low income.	Travel costs to ZMCH are reasonable.
68% of the respondents belongs to schedule tribes.	Doctors are patient-centred in their approach.
36% of respondents visit the hospital for general medical attention.	Doctors show empathy and compassion towards patients.
52% of respondents previously preferred District Government Hospital, but now 75% prefer Zydus Hospital for Chronic Ailments.	• Doctors possess strong medical expertise. • Nursing staff are transparent in their communication • Nursing staff deliver competent care • ZMCH's medical staffing is exceptional • ZMCH's capacity meets the needs of most patients.

2. **Project Name: Renovation of a school at Changodar**

Beneficiaries: Annually 350+ students

Location: Village Changodar, Ahmedabad

Implemented: directly by the Company

The Shri Bhurabhai Gandabhai Secondary and Higher Secondary School in Changodar, Ahmedabad, was in a state of disrepair, affecting the quality of education and safety of students and staff. The Company implemented a project to rebuild the school building, providing proper infrastructure and a platform for higher education for over 350 students. The project addressed waterlogging issues and created a conducive learning environment.

Key Findings	Key Impacts
100% of the students actively used and benefited from smart boards, computer labs, and digital tools.	Students universally demonstrated increased enthusiasm for learning.
90% of the students reported better access to educational materials and learning resources.	Enhanced sports facilities have promoted physical activity among all students.
100% of the respondents benefited from science labs, computer labs, smart boards, and Wi-Fi.	Infrastructure upgrades have led to improved attendance rates.
100% of the respondents used and enjoyed the revived sports and play areas.	Participation in activities has increased among a substantial majority of students.
95% was satisfied with the availability of clean drinking water.	• Cleaner premises have boosted student confidence and comfort. • Upgraded security measures have ensured a safer environment for all students. • Students have developed a heightened sense of hygiene awareness.

3. **Project Name: Lake beutification:**

Beneficiaries: Local community

Location: Village Modasar, District Ahmedabad

Implemented: directly by the Company

The Lake Beautification Project, initiated by the Company, aimed to enhance access, usability, and the visual appeal of the historic Banganga Lake in Modasar village, Ahmedabad, Gujarat. Once in a dilapidated state, this ancient lake-believed to date back to the Pandava era-is a vital habitat for diverse species, including fish, freshwater turtles, and migratory birds. Spanning an area of 70,000 square meters, the project features a 1.5 km accessible pathway, the use of gabion stones, and the restoration of traditional ghats. Beyond improving the lake's aesthetics, the initiative plays a crucial role in protecting it from environmental degradation and external debris while actively fostering community involvement in water conservation efforts.

Key Findings	Key Impacts
90% of the respondents visit Banganga Lake daily & weekly.	Restoration efforts have had a profoundly positive impact on the environment and biodiversity, according to nearly all respondents.
95% of the respondents noted that the boundary walls and ghats have been properly restored and maintained.	New pathways have been well-received by a majority of respondents.
100% of the respondents appreciated the newly created pathways making movement around the lake easier.	De-silting and cleaning significantly improve water quality, allowing for natural replenishment during monsoons and enhancing the lake's ecological health.
100% respondents acknowledged the improvement in water cleanliness.	The beautification efforts significantly enhanced the visual appeal and public usability of the lake, transforming it into a recreational asset for the community.

Key Findings	Key Impacts
96% of respondents reported that there is no foul smell from the water.	Beautification and improved access have attracted more visitors and pilgrims, with most respondents reporting a rise in visitors.
98% of respondents reported enhanced aesthetics and beautification of the lake area.	Conservation of historic structures such as ghats and temples strengthened the cultural identity of the precinct and upheld the sanctity of a 5 centuries-old pilgrimage site.
100% of respondents cited repair of boundary walls as a key improvement.	Banganga lake has garnered strong recommendations from a significant majority of respondents.
100% of respondents appreciated the reconstruction of ghats.	Lake maintenance has been praised by most respondents.
94% of respondents expressed high satisfaction with the play area.	Interventions promoted the return of aquatic life, especially turtles and bird species, suggesting an improvement in habitat quality and biodiversity.
90% of respondents reported an increase in visitors to Bangara Lake after intervention.	The project demonstrated a replicable model of public-private-community partnership for urban lake rejuvenation, inspiring similar efforts in other city lakes.

4. **Project Name: Zydus Red Cross Experiential Centre:**

Beneficiaries: General public

Location: Ahmedabad

Implemented: directly by the Company

The Zydus Red Cross Experiential Centre "NAVAH" was created at the request of the Red Cross Society, Ahmedabad. This immersive art installation raises awareness about the importance of blood donation, providing visitors with a unique and thought-provoking experience.

Key Findings	Key Impacts
2,496 visitors, including the Governor of Gujarat, MPs, MLAs, and Red Cross officials, engaged with NAVAH's immersive storytelling in its first year.	Over 2,400 individuals were sensitised to blood and organ donation through NAVAH's experiential, emotional approach.
100% of the visitors praised the centre as a "sevenstar facility", describing the experience as inspiring and emotionally impactful.	Strengthened public trust in the Red Cross and Company as leaders in community health awareness by blending art, science, and technology.
1,600 sq. ft. of fully accessible, technology enabled space houses NAVAH, offering a 360° immersive environment with curved walls and calming design elements.	The school fostered greater community involvement by hosting dignitaries, educators, students, and health workers, promoting a sense of unity and co-operation.
The centre is designed to be fully accessible to people with disabilities, ensuring an inclusive visitor experience.	Boosted engagement among youth and students, creating early awareness about blood donation and organ donation responsibilities.
15-minute custom-designed content combines 3D projection mapping, synchronised sound, and interactive visuals to deliver a seamless educational journey.	Established a new benchmark for creative health education by replacing conventional campaigns with immersive, memorable experiences.
8 high-luminosity Barco projectors and 3 Hitachi projectors power the centre, controlled through one media server for efficient, minimal supervision operations.	Demonstrated scalability and sustainability, as NAVAH operates with low manual intervention, ensuring long-term visitor outreach with minimal resources.
• Plug-and-play operations and multi-purpose hall design allow NAVAH to serve dual roles as an immersive experience centre and a venue for awareness seminars.	
• Provided a unique educational experience about the human body, blood, and the value of life, especially for young audiences.	Inspired policy-level stakeholders and civic leaders to support and advocate for Red Cross initiatives.
• NAVAH effectively aligned with the Red Cross and the Company's core message of celebrating and safeguarding life.	

Annexure-"D"

Particulars of remuneration as per section 197(12) of The Companies Act, 2013 read with rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

A. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio of each Director to the median remuneration of the employee
Mr. Pankaj R. Patel	--
Dr. Sharvil P. Patel	586.61
Mr. Ganesh N. Nayak	244.42
Mr. Nitin R. Desai *	1.79
Mr. Bhadresh K. Shah	5.38
Ms. Dharmishtaben N. Raval *	5.38
Mr. Apurva S. Diwanji	1.79
Ms. Shelina P. Parikh **	5.38
Mr. Akhil A. Monappa	5.38
Ms. Upasana K. Konidela	5.38
Mr. Mukesh M. Patel	5.38

* Ceased to be the director w.e.f. August 9, 2024.

** Appointed as the ID w.e.f. May 17, 2024.

B. The percentage increase in remuneration of each Director, the Chief Financial Officer and the Company Secretary in the financial year:

Name of the Director, the Chief Financial Officer and the Company Secretary	% increase in the remuneration in the financial year
Mr. Pankaj R. Patel	--
Dr. Sharvil P. Patel	20.00
Mr. Ganesh N. Nayak	7.14
Mr. Nitin R. Desai *	(63.33)
Mr. Bhadresh K. Shah	10.00
Ms. Dharmishtaben N. Raval *	(63.33)
Mr. Apurva S. Diwanji	10.00
Ms. Shelina P. Parikh **	0.00
Mr. Akhil A. Monappa	10.00
Ms. Upasana K. Konidela	10.00
Mr. Mukesh M. Patel	10.00
Mr. Nitin D. Parekh, Chief Financial Officer	3.44
Mr. Dhaval N. Soni, Company Secretary	15.60

* Ceased to be the directors w.e.f. August 9, 2024.

** Appointed as the ID w.e.f. May 17, 2024.

C. The percentage increase in the median remuneration of employees for the Financial Year ended on March 31, 2025, was 6.78%.

D. There were 27,917 (twenty seven thousand nine hundred seventeen) permanent employees (on consolidated basis) on the rolls of the Company as on March 31, 2025.

E. The PAT for the Financial Year ended on March 31, 2025, increased by 20.45% and the average increase in remuneration of employees was 11.82%. After excluding the items of exceptional nature, the PAT for the Financial Year ended on March 31, 2025, increased by 25.71%.

F. The remuneration of Key Managerial Personnel, viz. (1) the Managing Director, (2) the Executive Director, (3) the Chief Financial Officer and (4) the Company Secretary increased by 20.00%, 7.14%, 3.44% and 15.60% respectively.

G. The average annual increase in the salaries of the employees other than managerial personnel was 11.82%, whereas the weightage average increase in the managerial remuneration was 15.40% for the Financial Year ended on March 31, 2025. The increase in remuneration was on the recommendation of the NRC considering the performance of the managerial personnel and the Company.

H. The members at the AGM of the Company held on August 11, 2021, approved the payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the Company, subject to maximum of ₹ 40.00 million (Rupees Forty Million only) in aggregate, computed as per the provisions of section 198 of the Act. This resolution is valid for a period of 5 (five) years i.e. Financial Year starting from April 1, 2021, and ending on March 31, 2026. The performance of the Company in terms of sales and profitability are the key parameters, apart from the size of the Company and contributions of the Directors at the Board and Committee meetings.

I. The Company affirms that remuneration is as per the Nomination and Remuneration Policy of the Company. There is no employee drawing remuneration in excess of the remuneration of the Managing Director and the Executive Director.

J. The statement containing particulars of employees as required under section 197(12) of the Act read with rules 5(2) and 5(3) of Managerial Personnel Rules, is provided in a separate annexure which forms a part of this Integrated Annual Report. Pursuant to the provisions of section 136 of the Act, the said annexure is open for electronic inspection. The Integrated Annual Report is being sent to the members excluding the aforesaid separate annexure. Any member interested in obtaining a copy of the same may write to the Company Secretary.

On behalf of the Board of Directors

Pankaj R. Patel
Chairman
DIN: 00131852

Place : Ahmedabad
Date : May 20, 2025

Annexure-"E"

Information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to section 134(1)(m) of The Companies Act, 2013 read with rule 8(2) of The Companies (Accounts) Rules, 2014.

The Company is making continuous efforts to conserve energy by adopting innovative measures to reduce wastage and optimize consumption. Amongst others, below are some of the specific steps taken by the Company towards conservation of energy at its various locations.

A. Energy conservation measures and technology absorption measures and benefits derived:

Sr. No.	Measures	Investment (₹ in million)	Annual Energy Saving		Monetary Savings (₹ in million)
			Electrical Energy (MWh)	Fuel Energy (Ton)	
A.	**Energy saving by improvement / modification:**				
1	Reduction in energy consumption by optimizing the Air Handling Unit (AHU) operating temperature of the Automated Storage and Retrieval System (ASRS).	-	8.57	-	0.60
2	Reduction in energy consumption by optimization of the soot-blowing system in the Fluidized Bed Combustion boiler (FBC)	8.80	46.00	-	3.22
3	Utilization of chilled water for indoor AC units in place of compressor-based chilling systems to enhance energy efficiency.	-	11.8	-	0.82
4	Reduction in power consumption by altering the auto shutdown timing of the Processed Controlled System (PCS) blower of the Fluidized Bed Processor (FBP).	-	5.63	-	0.39
5	Removal of Heat of Compression (HOC) air dryer to eliminate air loss in compressed air line and enhance energy efficiency.	18.41	86.20	-	6.03
6	Optimization of milling and product transfer operations by removing the interlock between Fluid Bed Equipment (FBE) and SILO systems, resulting in reduced energy consumption.	-	37.50	-	2.62
7	Integration of sump tanks in the Effluent Treatment Plant (ETP) to enhance energy savings.	-	45.93	-	3.21
8	Energy cost reduction by discontinuation of split AC units in the Analytical Development Laboratory (ADL) area.	0.30	15.00	-	1.38

Sr. No.	Measures	Investment (₹ in million)	Annual Energy Saving		Monetary Savings (₹ in million)
			Electrical Energy (MWh)	Fuel Energy (Ton)	
9	Installation of motion sensors for lighting in service floor areas to reduce power usage.	0.45			
10	Utilization of reused Air Handling Unit (AHU) exhaust air for cooling the Uninterrupted Power Supply (UPS) room to enhance energy savings.	12.50			
11	Interlock of dynamic Pass Box blower operation based on door open-close status for energy conservation.	-			
12	Installation of Variable Frequency Drive (VFD) for the garden pump to optimize energy usage.	-	571.00	-	39.97
13	Optimizing the operating frequency of AHUs (Air Handling Units) catering to the ASRS (Automated Storage and Retrieval System) area to enhance cost savings.	-			
14	Implementation of pre-manufacturing practices for injection area batches to reduce energy consumption.	-			
15	Installation of timer controls to switch off the partial parking area lights during non-operational hours to optimize energy usage.	-			
16	Optimizing energy consumption by providing interlocks in Air Handling Unit (AHU) cooling fan on Variable Frequency Drive (VFD) driven operations.				
17	Installation of timer-based control in cassette AC units for optimized energy usage.	0.20	0.92	-	0.06
18	Reduction in raw water consumption by implementing Ready For Use (RFU) rubber stoppers in the injection area.				
19	Reduction in coal consumption by improving boiler efficiency through better steam-to-fuel ratio.	-	-	128.00	3.84
Total (A)		**40.66**	**828.56**	**128.00**	**62.17**
B.	**New Technology Adoption**				
1	Installation of power improvement filter across chiller input power supply to enhance energy efficiency.	7.82	128.00	-	8.96
2	Replacement of existing split AC units with inverter based split ACs to reduce power consumption.	1.64	1.70	-	0.11
3	Energy savings through the installation of steam turbines in place of pressure regulated valves.	13.20	360.00	-	25.20
4	Installation of VFD for cooling tower makeup water pump motor to reduce energy consumption.	0.25	16.00	-	1.12
5	Optimization of energy consumption by replacing old chillers with energy efficient chillers.	204.30	435.00	-	30.45
Total (B)		**227.21**	**940.70**	**-**	**65.85**
Total C (A+B)		**267.87**	**1769.26**	**128.00**	**128.02**

B. Steps taken by the Company for utilizing alternative sources of energy:

The Company has taken various steps for utilizing alternative sources of energy. Amongst others, below are some of the specific steps taken:

a. Usage of biomass fuel (> 40,000 MT) as a primary fuel for the boiler operations to generate steam.

b. In-house generation of > 1000 MWh solar energy as an alternate source of grid power.

c. Purchase of >80,000 MWh renewable hybrid electrical energy to reduce the environmental impact of operations.

C. Details of technology imported (imported during the last 3 years reckoned from the beginning of the financial year):

During the last 3 (three) years, the Company has imported technology as per the details provided in below table:

Sr. No.	Technology Imported	Year of import	Status
1	Roll Compactor	2022-2023	Absorbed
2	Integrated Granulation Line (IGL)	2022-2023	Absorbed
3	ZRO 90 Capsule Filling Machine	2022-2023	Absorbed
4	CVC bulk packing line 200BPMM	2022-2023	Absorbed
5	Fette F30i	2023-2024	Absorbed
6	Replaced Electromagnetic (EC) fan motor with induction motor	2023-2024	Absorbed
7	GEA Compression inline Blender	2024-2025	To be absorbed in 2025
8	Robotic Air Handling Unit (AHU) Cleaner	2024-2025	Absorbed
9	Vacuum de-aerator (125 ltrs.) for shampoo products	2024-2025	Absorbed

D. The Company has made a capital investment of ₹ 267.87 million (Rupees Two Hundred Sixty Seven Million Eight Hundred Seventy Thousand only).

E. Expenditure incurred on Research and Development:

The Company has incurred expenditure of ₹ 11,838.00 million (Rupees Eleven Thousand Eight Hundred Thirty Eight Million only) towards Research and Development.

F. Foreign Exchange Earnings and Outgo:

During the Financial Year ended on March 31, 2025, the foreign exchange earned in terms of actual inflows was ₹ 105,793.00 million (Rupees One Lakh Five Thousand Seven Hundred Ninety Three Million only), whereas the foreign exchange in terms of actual outflows was ₹ 24,887.00 million (Rupees Twenty Four Thousand Eight Hundred Eighty Seven Million only).

On behalf of the Board of Directors

Pankaj R. Patel
Chairman
DIN: 00131852

Place : Ahmedabad
Date : May 20, 2025

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Zydus Lifesciences Limited ("the **Company**") believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board committees as a part of the internal control system, fair representation of professionally qualified, non-executive and independent Directors on the Board of Directors ("the **Board**"), adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("the **Listing Regulations**").

Transparency

We believe that transparency is important for healthy and self-sustaining growth. It also promotes deep and long-standing trust amongst our stakeholders. We endeavour to demonstrate highest levels of transparency.

Fairness

We practice fair play and integrity in our transactions with all stakeholders. We conduct ourselves in an equitable manner.

Accountability

We believe that accountability is about holding ourselves responsible for what we do. By means of openness and transparency, we consider ourselves accountable to the entire universe of stakeholders including our patients, healthcare professionals, customers and channel partners, employees, investors and members, communities, business associates, government and regulators and suppliers.

Leadership:

The Company is committed to maintain a dynamic and diverse board that combines expertise, independence, and deep sector knowledge to drive excellence and sustainable growth.

Empowerment:

We believe that empowering leaders and employees is key to driving high performance and nurturing leadership at Zydus. Our leadership essentials-centered on people, performance, and well-being-are deeply rooted in our principles, providing a unified framework for leadership development across the organization.

Sustainability:

We believe sustainability means managing financial, social, and environmental responsibilities while ensuring business continuity. We are committed to driving economic growth, minimizing our ecological footprint, and enhancing our positive social impact.

1. GOVERNANCE STRUCTURE:

The governance structure of the Company comprises of the Board and the committees of the Board at the top level and the internal governance structure at the operational level. The responsibility of the Board is to determine the overall corporate objectives and give direction and freedom to the management to achieve those objectives within a given framework. The Board is responsible to formulate long-term strategic plan and strategy and monitor its implementation, monitor the effectiveness of the Company's Corporate Governance practices and exercise effective control of the functioning of the Company to ensure fulfilment of stakeholders' expectations and long-term value creation. The organizational governance structure enables an environment for value creation through sustainable and profitable growth.

The governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility.

The primary role of the Board is to protect interest and enhance the value for all the stakeholders. It conducts overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision-making process to be followed. The Board committees oversee specialized areas of operations and provide recommendations based on expertise. The management implements the policies and procedures and manages day-to-day operations. The Board takes an active part in the deliberations of the Board meetings and

provides guidance and advice to the management on various aspects of business.

The Chairman and the Managing Director are in overall control and responsible for the overall working of the Company. They give strategic directions, lay down the policy guidelines and ensure the implementation of the decisions of the Board and its committees. The Managing Director and the Executive Director are responsible for leading and directing the Company's overall operations. The Managing Director reports to the Board and the Executive Director reports to the Managing Director.

The governance system encourages entrepreneurship, risk taking and growth orientation with an objective to lead full accountability enabled by appropriate empowerment.

2. BOARD OF DIRECTORS:

The Board has the ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Managing Director and the Executive Director look after the day-to-day business affairs of the Company. The Board reviews the overall business operations at least once in a quarter based on updates on the Company's performance provided by the Managing Director, the Chief Financial Officer and other senior executives of the Company.

The Board serves as the highest governing authority, responsible for providing strategic oversight, monitoring management performance, and ensuring sound corporate governance. To support informed decision-making, the Board has full access to all relevant information and personnel across the Company and its subsidiary companies.

A. Composition of the Board:

The composition of the Board is in compliance with the provisions of regulation 17(1) of the Listing Regulations and sections 149 and 152 of The Companies Act, 2013 ("the **Act**"). The Board is headed by Non-Executive Non-Independent Chairman, Mr. Pankaj R. Patel, who is also the promoter Director. Pursuant to and in compliance with the provisions of regulation 17(1)(c) of the Listing Regulations, as at March 31, 2025, your Company's Board is comprised of 9 (nine) Directors who have considerable experience in their respective fields, the details of which are provided in below table:

Sr. No.	Category of Directors	Number of Directors	% age
1.	Independent Directors	5	55.56
	a. Woman Independent Directors (out of 1 above)	2	22.22
2.	Executive Directors	2	22.22
3.	Non-Executive Directors	2	22.22
4.	**Total (1+2+3)**	**9**	**100.00**

As required under the provisions of section 149(1) of the Act and Rules framed thereunder and regulation 17 of the Listing Regulations, the constitution of Board meets with the requirements stated therein. Non-executive directors and Independent Directors ("**IDs**") have expert knowledge in the fields of finance, taxation, legal, IT, HR, CSR & ESG, business and management and industry. Thus, the Board represents a judicious mix of entrepreneurs and professionals, who bring the benefits of their knowledge, expertise and competence and enable the Board to discharge its responsibilities and provide effective leadership to the business. The tenure of IDs is within the limits prescribed under the Act and the Listing Regulations. Pursuant to and in compliance with the provisions of regulation 46(2)(ab) of the Listing Regulations, profile of all the Directors is available on the website of the Company. The weblink of the same is provided separately under this report on page No. 227.

All the Directors on the Board of the Company comply with the provisions of:

i. regulation 17(1D) of the Listing Regulations, with respect to their appointment by the shareholders at a general meeting and

ii. regulation 17A of the Listing Regulations, with respect to the maximum number of directorships.

Various details of the Board and its committees, as on March 31, 2025, are provided in the below table:

Board Composition	
Board size	9
Non-Independent Directors	4
Independent Directors	5
Gender diversity	
Women	22.22%
Men	77.78%
Average age	58.67 years
Average board tenure	12.64 years
Average tenure-Independent Directors	4.15 years
Number of Board meetings	7
Board attendance %	93.85%
Number of committee meetings	55
Committee attendance %	97.33%
Age diversity	
30-39	11.11%
40-49	22.22%
50-59	22.22%
60-69	--
70-79	44.44
Board Chairperson	Non-Executive Director
Separate role of Chairperson & MD	Yes
Board evaluation	Annual
Board re-election	
Independent Directors	Fixed term of 5 years (upto 2 terms)
Executive & Non-Executive Directors	Annual retirement by rotation (1/3rd of 2/3rd)

Audit Committee Independence	
Independent Directors	100.00%

Nomination and Remuneration Committee ("NRC") Independence	
Independent Directors	100.00%

IDs are non-executive directors as defined under regulation 16(1)(b) of the Listing Regulations read with section 149(6) of the Act and Rules framed thereunder. Pursuant to and in compliance with the provisions of regulation 25(8) of the Listing Regulations, the IDs have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impact or impair their ability to discharge their duties. Pursuant to and in compliance with the provisions of regulation 25(9) of the Listing Regulations, the Board has verified the veracity of disclosures received from IDs and confirmed that they meet the criteria of independence as prescribed under regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. The IDs have confirmed that they have registered themselves with ID's Database maintained by The Indian Institute of Corporate Affairs. None of the IDs of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them, is not applicable.

There were no conflicts of interest of IDs with the Company.

None of the ID-

i. is employed by the Company in an executive capacity in the last 5 (five) years,

ii. is a family member of an individual who is or during the last 3 (three) years was employed by the Company or any subsidiary company as an executive officer,

iii. is an advisor or consultant to the Company or a member of the Company's senior management,

iv. is affiliated with a significant customer or supplier of the Company,

v. has any personal service contract with the Company or a member of the Company's senior management,

vi. is affiliated with a not-for-profit entity that receives significant contributions from the Company,

vii. is a partner or employee of the Company's statutory auditors during the past 3 (three) years,

viii. accepts or have a family member who accepts any payments from the Company or any subsidiary company and

ix. has any other conflict of interest that the Board itself determines to mean that he / she cannot be considered independent.

The Company shall always maintain a minimum of 50% IDs on the Board.

The Executive Directors did not serve as an ID in any listed company at the beginning of the financial year. During the Financial Year ended on March 31, 2025, Dr. Sharvil P. Patel, Managing Director, was appointed as an ID of Gujarat Mineral Development Corporation Limited.

Mr. Pankaj R. Patel, Non-Executive Chairman is the father of Dr. Sharvil P. Patel, Managing Director. Except this, none of the directors are relatives of any other directors.

The Board has identified the below-mentioned core skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

- Knowledge and / or expertise in one or more of areas like pharmaceuticals (including medical, pharmacology and research), manufacturing, accounts, finance, taxation, banking, Human Resources (**"HR"**), Information Technology (**"IT"**), marketing, law, business and management.

The above core skills / expertise / competencies identified by the Company are also actually available with the Board as below:

Sr. No.	Name of the Director	Skills / expertise / competencies actually available with the Directors
1.	Mr. Pankaj R. Patel	Knowledge and expertise in pharmaceuticals (including medical, pharmacology and research), manufacturing, marketing, business and management
2.	Mr. Bhadresh K. Shah	Knowledge and expertise in manufacturing, marketing, business and management
3.	Mr. Apurva S. Diwanji	Knowledge and expertise in law
4.	Ms. Shelina P. Parikh	Knowledge and expertise in business, management and CSR
5.	Mr. Akhil A. Monappa	Knowledge and expertise in finance and IT
6.	Ms. Upasana K. Konidela	Knowledge and expertise in HR, IT and CSR
7.	Mr. Mukesh M. Patel	Knowledge and expertise in taxation
8.	Dr. Sharvil P. Patel	Knowledge and expertise in pharmaceuticals (including medical, pharmacology and research), manufacturing, marketing, business and management
9.	Mr. Ganesh N. Nayak	Knowledge and expertise in pharmaceuticals, marketing, business and management

Mr. Pankaj R. Patel, Non-Executive Chairman, Dr. Sharvil P. Patel, Managing Director and Mr. Ganesh N. Nayak, Executive Director have experience and expertise in the field of pharmaceuticals which is the core business of the Company.

The eligibility of a person to be appointed as a director of the Company is dependent on possession of the requisite skills/expertise/competencies, as identified by the Board.

B. Board meetings / Directors' particulars:

The Board meetings are scheduled well in advance, in consultation with the Directors, to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The annual calendar of the Board and committee meetings is circulated to the Directors. Minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from this, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. The physical meetings are usually held in Ahmedabad, where the Registered Office of the Company is situated. The Chief Financial Officer and the Company Secretary, in consultation with the Chairman and the Managing Director, prepare detailed agenda for the meetings. The agendas (with detailed rationale and draft resolutions, wherever applicable) are circulated to the Directors in advance. Directors are also free to bring up any other matter for discussion at the Board meetings with the permission of the Chairman. Any other business which may come up after circulation of agenda papers is placed before the Board by way of the table agenda. In case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted under the law, which is ratified in the subsequent Board meeting. During the Financial Year ended

on March 31, 2025, the Board approved 6 (six) resolutions by circulation, vide resolutions dated September 2, 2024, December 12, 2024, January 2, 2025, January 26, 2025, February 10, 2025, and March 24, 2025.

Pursuant to and in compliance with regulation 17(2) of the Listing Regulations and section 173(1) of the Act, the Board meets at least once in each quarter and the gap between any 2 (two) Board meetings was not more than 120 (one hundred twenty) days. During the Financial Year ended on March 31, 2025, 7 (seven) Board meetings were held on May 2, 2024, May 17, 2024, August 9, 2024, September 17, 2024, November 12, 2024, February 5, 2025, and March 11, 2025. Out of these, 3 (three) meetings were held through video conferencing and 4 (four) meetings were held physically. The necessary quorum was present throughout in all the Board meetings.

Board meeting wise attendance

May 2, 2024	May 17, 2024	August 9, 2024	September 17, 2024	November 12, 2024	February 5, 2025	March 11, 2025	Average
100.00	90.00	88.89	88.89	100.00	100.00	88.89	93.85

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly / half yearly / yearly, unaudited / audited financial results, unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure and ensures compliance with applicable laws and regulations. The MD and the CFO make quarterly presentations to the Board which covers the business and financial aspects respectively. The Board monitors the overall performance of the Company and reviews the performance of its subsidiary and joint venture companies. The agenda for the Board meeting covers items set out as guidelines in regulation 17 of the Listing Regulations to the extent the same are applicable and relevant. All agenda items are supported by relevant information, documents and / or presentations to enable the Board to take informed decisions.

Moreover, certain urgent matters are also being taken up at a Board meeting which are held at a shorter notice. With the unanimous consent of the Board, unpublished price sensitive information is circulated to the directors at a shorter notice.

The Company Secretary is responsible for convening the Board and committee meetings and preparation of respective agenda papers. The Company Secretary attends all the meetings of the Board and its committees and ensures an appropriate recording of the minutes of the meetings.

The draft minutes of all the meetings approved by the Chairman is circulated to all the Directors within 15 (fifteen) days after the conclusion of the meetings. Comments, if any, received from the Directors are incorporated in the minutes, in consultation with the Chairman. The minutes of all the meetings signed by the respective Chairmans are also circulated to all the Directors / members within 15 (fifteen) days from the date of signing. Decisions taken at Board / committee meetings are communicated to the concerned departments promptly for actions and an Action Taken Report on the status of the decisions taken at the Board / committee meetings is placed, for the information, to the Board / committee members. The minutes of (i) all committee meetings of the Company and (ii) Board meetings of all Indian subsidiary companies of the Company are placed in the next Board meeting for noting.

The Board has complete access to the information within the Company, which *inter-alia* includes-

1. Corporate strategy and business updates on a regular basis,
2. Annual revenue and capital expenditure plans / budgets,
3. Quarterly / yearly standalone and consolidated financial results and statements and performance of subsidiary companies,
4. All borrowings, investments, loans and guarantees,
5. Minutes of the meetings of the Board, committees of the Board and minutes of the Board meetings of Indian subsidiary companies, and resolutions passed by way of circulation,
6. Corporate restructuring matters like merger, amalgamation, de-merger, acquisition (including shares and intellectual properties, joint venture, investment and disinvestment,
7. Details of any collaboration agreements,
8. Sale of investment, subsidiaries or assets, which are material in nature,
9. Quarterly report on any fatal or serious accidents or dangerous occurrences and material effluent or pollution problems,

10. Significant labour problems, if any, and proposed corrective actions,
11. Any significant development on human resources / industrial relationship front,
12. Regulatory inspections,
13. Forex strategy on quarterly basis,
14. Any materially relevant default, in financial obligations to and by the Company or substantial non-payment for goods sold, if any,
15. Any issue, which involves possible public, or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company,
16. Compliance or non-compliance of any regulatory, statutory nature or listing requirements and matters related to investors' service such as non-payment of dividend, delay in transfer of shares, etc.,
17. Show cause, demand, prosecution, penalty or legal notices, if any, which are material in nature,
18. Notice of disclosure of interest from Directors and KMP.
19. Quarterly compliance certificates.
20. Significant transactions by subsidiary companies,
21. CSR related matters,
22. Appointment and remuneration of Directors, KMP and Senior Management,
23. Performance evaluation of the Board, committees and individual directors,
24. Any issue which involves possible public or product liability claims of substantial nature and
25. Insider Trading related matters and Code of Conduct prepared therein.

IDs play an important role in the deliberations in Board meetings and bring with them rich expertise in the field of industry, marketing, accountancy, finance, law, taxation, IT, HR, CSR and ESG and other areas.

For the appointment of a director, the following process is followed by the Company:

1. The selection process is delegated by the Board to the NRC. The NRC comprises of IDs.
2. The NRC, based on the parameters defined in the NRC Policy, recommends the appointment of a director to the Board.
3. Based on the recommendation of the NRC, the Board reviews the proposal and if approved, the appointment is subject to the approval of members within 3 months or next general meeting, whichever is earlier.
4. Based on the recommendation of the Board, the proposal is made to the members at a general meeting for their approval.

While constituting the committee of Directors, the requirements of regulation 26(1) of the Listing Regulations, that a Director shall not be a member of more than 10 (ten) committees and Chairman of not more than 5 (five) committees have been ensured and complied with. Pursuant to and in compliance with the provisions of regulation 17A(1) of the Listing Regulations, none of the Directors of the Company serve as an ID in more than 7 (seven) listed companies. None of the Directors of the Company hold directorship in more than 20 (twenty) companies, including 10 (ten) public companies. All Directors of the Company except the IDs are liable to retire by rotation. During the year under review, none of the IDs of the Company had resigned before the expiry of their respective tenure(s). Mr. Nitin R. Desai and Ms. Dharmishtaben N. Raval, ceased to be the IDs and directors w.e.f. August 9, 2024, upon completion of their respective tenures.

The following table gives the name of the Director, category and position, original date of appointment, tenure, attendance of the Director at the Board meetings, whether they have attended the last AGM, Chairmanship / Membership in Board committees of public companies and number of other directorships held in Indian public limited companies (other than the Company) as at March 31, 2025.

Name of the Director and DIN	Category and position	Age and original date of appointment	Tenure	No. of Board meetings held during the year	No. of Board meetings attended	% of attendance	Whether attended last AGM	Member (Chairman) of the Board committees	No. of other director-ships held
Mr. Pankaj R. Patel (DIN-00131852)	Non-Executive Chairman	72 years May 15, 1995	30 years	7	7	93.85	Yes	3 (2)	5
Mr. Bhadresh K. Shah (DIN-00058177)	Non-Executive and Independent Director	73 years December 6, 2018	6 years 5 months		5		Yes	4	3
Mr. Apurva S. Diwanji (DIN-00032071)	Non-Executive and Independent Director	56 years May 13, 2016	9 years		6		Yes	5	3
Ms. Shelina P. Parikh (DIN-00468199)	Non-Executive and Independent Director	56 years May 17, 2024	1 year		5		Yes	1	0
Mr. Akhil A. Monappa (DIN-09784366)	Non-Executive and Independent Director	46 years November 29, 2022	2 years 5 months		7		Yes	2 (1)	1
Ms. Upasana K. Konidela (DIN-02781278)	Non-Executive and Independent Director	38 years November 29, 2022	2 years 5 months		6		No	0	6
Mr. Mukesh M. Patel (DIN-00053892)	Non-Executive Director	71 years August 1, 1997	27 years 9 months		7		Yes	5 (4)	4
Dr. Sharvil P. Patel (DIN-00131995)	Managing Director	46 years August 1, 1997	27 years 9 months		7		Yes	3	7
Mr. Ganesh N. Nayak (DIN-00017481)	Executive Director	70 years July 12, 2017	7 years 9 months		7		Yes	2 (1)	2

Notes:

1. Figures in ( ) indicate the number of Board committees of which a Director is a Chairman.
2. Board committee means Audit committee and Stakeholders' / Investors' Relationship committee.

The following table gives the names of the listed companies where the Directors of the Company are Directors and the category of their respective directorships:

Sr. No.	Name of the Director of the Company	Name of the listed companies in which the Director of the Company is a Director	Category of directorship in the listed companies
1.	Mr. Pankaj R. Patel	Bayer CropScience Limited	Independent Director
2.	Mr. Bhadresh K. Shah	AIA Engineering Limited	Managing Director
		Welcast Steels Limited	Non-Executive and Non-Independent Director
3.	Mr. Apurva S. Diwanji	Torrent Power Limited	Independent Director
4.	Ms. Shelina P. Parikh	None	N.A.
5.	Mr. Akhil A. Monappa	Zydus Wellness Limited	Independent Director
6.	Ms. Upasana K. Konidela	None	N.A.
7.	Mr. Mukesh M. Patel	Force Motors Limited	Independent Director
8.	Dr. Sharvil P. Patel	Zydus Wellness Limited	Non-Executive and Non-Independent Director
		Gujarat Mineral Development Corporation Limited	Independent Director
9.	Mr. Ganesh N. Nayak	Zydus Wellness Limited	Non-Executive and Non-Independent Director

C. Familiarization Programme:

At the time of an appointment of an ID, a formal letter of appointment is given to him / her, which *inter-alia* explains the roles, functions, duties, and responsibilities expected from him / her as a Director of the Company. All our Directors are

aware and also updated, whenever required, of their roles, responsibilities, liabilities, and obligations under the provisions of Schedule IV of the Act and Rules framed thereunder and regulation 25 of the Listing Regulations. The draft letter of appointment of an ID is available on the website of the Company.

A presentation on the familiarization programme made to the IDs of the Company is posted on the website of the Company. The weblink of the same is provided separately under this report on page No. 226.

Quarterly updates, strategic updates including press releases submitted to the stock exchanges are shared with the Directors to keep them updated of the material developments relating to the Company.

Pursuant to and in compliance with the provisions of regulation 25(7) of the Listing Regulations, the Company regularly familiarizes the IDs by way of quarterly business presentations.

D. Evaluation:

During the year under review, the Nomination and Remuneration committee ("**NRC**") / the Board have carried out evaluation of the performance of following:

1. Board as a whole,
2. committees of the Board,
3. Directors,
4. IDs and
5. Chairman.

Evaluation sheets for evaluation of above were circulated to all the Directors and the filled in evaluation sheets of all the Directors were submitted to the Chairman of the Board.

The Board has evaluated the composition of the Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters, etc. with an aim to improve their effectiveness.

Performance evaluation of individual Directors and the Board Chairman was also carried out in terms of their respective attendance at Board / committee meetings, contributions at the meetings, circulation of sufficient documents and information to the Directors, timely availability of the agenda, etc. Directors were satisfied with the evaluation on different criteria.

Performance evaluation of IDs was also carried out which included, preparedness and information about the Board / committee meetings, attendance at different meetings, preparedness to devote sufficient time for meetings, relationship with the Chairman, other board members, KMP and senior management, updating knowledge with latest developments in regulatory and market conditions, expressing views on specialized agenda items and the statutory requirement being the fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who were subject to evaluation did not participate in the proceedings of the meeting.

3. COMMITTEES OF THE BOARD:

To ensure effective governance and compliance with statutory obligations, 7 (seven) specialized committees are constituted. Each committee operates under a clearly defined terms of reference outlining its roles and responsibilities. These committees focus on specific areas of governance, either making final decisions or providing informed recommendations to the Board, thereby enhancing oversight and strategic direction.

The Chairperson of the respective committees briefs the Board about the summary of the discussions held at the committee meetings and the recommendations of the committee members. The terms of reference of the committees are in line with the applicable provisions of the Listing Regulations, the Act and the Rules framed thereunder.

The Board currently has the following committees:

A. Audit committee,

B. Nomination and Remuneration committee,

C. Corporate Social Responsibility and Environment Social and Governance committee,

D. Risk Management committee,

E. Stakeholders' / Investors' Relationship committee,

F. Share Transfer committee, and

G. Finance and Administration committee.

The terms of reference of the Board committees are determined by the Board from time to time. The Board is responsible for constituting, assigning, and co-opting the members of the committees. The meetings of the Board committees are convened by the Chairman of the respective committee pursuant to and in compliance with the statutory provisions of the Act and the Listing Regulations.

The committees operate under the direct supervision of the Board. Normally, the committee meetings are held prior to the Board meeting and the Chairman of the respective committee reports to the Board about the deliberations and decisions taken by the committees.

A. Audit Committee:

Pursuant to and in compliance with the provisions of section 177(1) of the Act and regulation 18(1) of the Listing Regulations, the Company has constituted the Audit committee. The terms of reference for the Audit committee are specified in Para A of Part C of Schedule II of the Listing Regulations which are mentioned here under:

I. Terms of Reference:

The role of the Audit committee includes the following:

1. Oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient, and credible,
2. Recommendation for appointment (including re-appointment), removal, remuneration and terms of appointment of statutory, internal (chief internal auditor) and cost auditors,
3. Review with the management the quarterly / half-yearly / yearly, unaudited / audited financial results / statements and limited review reports / audit reports of the Statutory Auditors before recommending for approval by the Board with particular reference to matters required to be included in the directors' responsibility statement to be included in board's report in terms of section 134(3)(c) of the Act,
4. Review changes in the accounting policies, major accounting entries / estimates based on exercise of judgment by the management, significant adjustments made in the financial statements, compliance with listing and other legal requirements relating to financial statements, disclosure of related party transactions, modified opinion, if any, in the draft audit report,
5. Review of the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.). The statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency about the utilization of proceeds of a public issue or rights issue or preferential issue of qualified institutional placement and making appropriate recommendations to the Board to take up steps in this matter,
6. Review of Management Discussion and Analysis of financial and operational performance,
7. Review of inter-corporate loans and investments,
8. Review with the management the performance of statutory and internal auditors,
9. Review the adequacy and effectiveness of internal financial controls and systems,
10. Review and discuss with the management major financial risk exposures and steps taken to monitor and control them,
11. Oversee and review the functioning of vigil mechanism (implemented by the Company as a Whistle Blower Policy),
12. Review the scope of the Internal Auditors and Audit Plan to ensure reasonable coverage of different areas of operations,
13. Review, discuss and monitor the observations reported by Statutory / Internal Auditors and their compliance,
14. Review the findings of any internal investigation 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 report the matter to the Board,
15. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern,
16. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividend) and creditors,
17. Review and recommend to the Board the appointment / re-appointment of the Statutory and Cost Auditors after due consideration of their independence and effectiveness,
18. Approve the payment towards additional services rendered by the Statutory Auditors except those enumerated in section 144 of the Act,
19. Review Cost Audit Report submitted by the Cost Auditors,
20. Approve the Related Party Transactions and / or subsequent modification, if any, and grant omnibus approvals for certain related party transactions, which are in the ordinary course of business and on an arm's length basis,
21. Approve the appointment of Chief Financial Officer after assessing the qualifications,

experience, and background, etc. of the candidate,

22. Review utilization of loans and / or advances from / investment by the Company in subsidiary company in excess of ₹ 1,000 million (Rupees One Thousand Million only) or 10% (ten percent) of asset size of the subsidiary, whichever is lower,
23. Supervise implementation of the Insider Trading Code and policies relating thereto,
24. Valuation of the undertakings or assets of the Company, wherever necessary,
25. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc. on the Company and its members and
26. Review the financial statements, in particular, the investments made by the unlisted subsidiary.

The Audit Committee ensures that it has reviewed each area that it is required to review under the terms of reference. Every quarter, the Audit Committee is presented with a summary of audit observations and follow-up actions thereon.

The Audit Committee periodically reviewed and noted all related party transactions. The majority of the related party transactions were between the Company and its subsidiary and joint venture companies. All the related party transactions were in the ordinary course of business, on an arm's length basis and as per the policy on related party transactions. The Audit Committee ratified all the related party transactions entered into by the Company during the Financial Year ended on March 31, 2025. The Audit Committee also granted omnibus approval for the related party transactions proposed to be entered into by the Company during the Financial Year ending on March 31, 2026, which are repetitive in nature and also for unforeseen transactions, as per the policy on related party transactions, applicable provisions of the Act and the Listing Regulations. The Company did not enter into any material related party transactions that required approval of the members. The Company has also not entered into transaction with related parties that may have potential conflict with the interests of the Company.

The Audit Committee reviewed on quarterly basis, the details of related party transactions, entered into by the Company pursuant to the omnibus approval.

The Audit Committee also took note of the material subsidiary companies of the Company.

II. Composition, meetings held and attendance at the meetings during the year:

The Audit Committee held 7 (seven) meetings during the Financial Year ended on March 31, 2025, on May 2, 2024, May 17, 2024, August 9, 2024, September 17, 2024, November 12, 2024, February 5, 2025, and March 11, 2025. The time gap between any 2 (two) meetings was less than 120 (one hundred twenty) days. The composition of the Audit Committee as at March 31, 2025, and details of the attendance of its members are as under:

Name of the Member	Category	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Nitin R. Desai, Chairman	Non-Executive and Independent	7	2	2	100 %
Mr. Akhil A. Monappa, Chairman	Non-Executive and Independent		5	5	100 %
Mr. Bhadresh K. Shah	Non-Executive and Independent		7	5	71.43 %
Ms. Dharmishtaben N. Raval	Non-Executive and Independent		2	2	100 %
Mr. Apurva S. Diwanji	Non-Executive and Independent		7	6	85.71 %
Ms. Shelina P. Parikh	Non-Executive and Independent		5	5	100 %

Note: The Board at its meeting held on May 17, 2024, passed a resolution to re-constitute the Audit committee, by virtue of which:

i. Mr. Nitin R. Desai ceased to be Chairman and member w.e.f. May 17, 2024.
ii. Mr. Akhil A. Monappa was inducted as a member and appointed as Chairman w.e.f. May 17, 2024.
iii. Ms. Dharmishtaben N. Raval ceased to be member w.e.f. May 17, 2024.
iv. Ms. Shelina P. Parikh was inducted as a member w.e.f. May 17, 2024.

All the members of the Audit Committee have the requisite qualifications for appointment on the Audit Committee and possess a sound knowledge of accounting practices as well as financial and internal controls.

Mr. Akhil A. Monappa, the Chairman of the Audit Committee attended the AGM of the Company held on August 9, 2024, to respond to members' queries.

III. Invitees at the Audit committee meetings:

The representative(s) of the Statutory Auditors and Internal Auditors are regularly invited, and they have attended all the quarterly Audit Committee meetings held during the Financial Year ended on March 31, 2025, where their respective reports were placed. The representative of the Cost Auditors attends the Audit Committee meeting, where the Cost Audit Report is tabled for discussion. The Managing Director, the Chief Financial Officer and the Management Auditor are invited to attend and participate in these meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The Company continues to derive benefits from the deliberations of the Audit Committee meetings as the members are experienced in the areas of finance, accounts, taxation, corporate laws, and industry. It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

B. Nomination and Remuneration Committee ("NRC"):

Pursuant to and in compliance with the provisions of section 178(1) of the Act and regulation 19(1) of the Listing Regulations, the Company has constituted the NRC. The terms of reference for the NRC are specified in Para A of Part D of Schedule II of the Listing Regulations which are mentioned here under:

I. Terms of reference:

The functions of the NRC, *inter-alia*, include the following:

1. To formulate 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, KMP and other employees,
2. To identify the persons, who are qualified to become Directors of the Company or who may be appointed in Senior Management,
3. For appointment of an ID, to evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of role and capabilities of an ID,
4. To recommend to the Board, appointment and removal of the Directors and evaluation of each Director's performance,
5. To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to, remuneration of the Directors, KMP and other employees (For every appointment of an ID, the NRC shall evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an ID). The person recommended to the Board for appointment as an ID shall have the capabilities identified in such a description. For the purpose of identifying suitable candidates, the NRC may:
   a. use the services of an external agencies, if required;
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c. consider the time commitments of the candidates.
6. To review on an annual basis the compensation to the non-executive directors and Senior Management (in whatever form) and recommend to the Board the remuneration and incentive payable to each of them,
7. To decide whether to extend or continue the term of appointment, on the basis of the report of performance evaluation of IDs, for re-appointment of an ID,
8. To devise policy on diversity of the Board,
9. To ensure that the level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks and
10. To develop and review the succession plan for the Board.

II. Composition, meetings held and attendance at the meetings during the year:

The NRC met once during the Financial Year ended on March 31, 2025, on May 17, 2024. The composition of the NRC as at March 31, 2025, and details of the attendance of its members are as under:

Name of the Member	Category	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Nitin R. Desai, Chairman	Non-Executive and Independent	1	1	1	100%
Mr. Bhadresh K. Shah, Chairman	Non-Executive and Independent		1	1	100%
Ms. Dharmishtaben N. Raval	Non-Executive and Independent		1	1	100%
Mr. Apurva S. Diwanji	Non-Executive and Independent		1	0	0
Mr. Akhil A. Monappa	Non-Executive and Independent		0	N.A.	N.A.
Ms. Upasana K. Konidela	Non-Executive and Independent		0	N.A.	N.A.

Notes : The Board at its meeting held on May 17, 2024, passed a resolution to re-constitute the NRC, by virtue of which:

i. Mr. Nitin R. Desai ceased to be Chairman and member w.e.f. May 17, 2024.

ii. Mr. Bhadresh K. Shah was appointed as Chairman w.e.f. May 17, 2024.

iii. Ms. Dharmishtaben N. Raval ceased to be member w.e.f. May 17, 2024.

iv. Mr. Akhil A. Monappa and Upasana K. Konidela were inducted as members w.e.f. May 17, 2024.

The Company Secretary acts as the Secretary to the NRC. Mr. Bhadresh K. Shah, the Chairman of the NRC attended the AGM of the Company held on August 9, 2024.

III. Nomination and Remuneration Policy and details of remuneration paid / payable to the Directors for the Financial Year ended on March 31, 2025:

The Board approved the Nomination and Remuneration Policy on the recommendation of the NRC. The salient aspects of the said Policy are outlined below:

a. Objectives:

1. To guide the Board in relation to appointment and removal of Directors and Senior Management,
2. To evaluate the performance of the members of the Board, its committees and individual directors and provide necessary reports to the Board for further evaluation of the Board and
3. To recommend to the Board, remuneration payable to the Directors and Senior Management.

The Company follows the policy for payment of remuneration to the Directors and Senior Management.

b. Remuneration to Non-Executive Directors:

1. A non-executive director is paid sitting fees for each meeting of the Board or committee of the Board (except for attending the Share Transfer Committee and the Finance and Administration Committee meetings) attended by him / her, of such sum as may be approved by the Board within the overall limits prescribed under the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board has approved the payment of sitting fees at ₹ 0.10 million (Rupees One Hundred Thousand only) to each non-executive director towards each of the Board or committee meetings attended by them. Normally, the sitting fees are paid immediately after the Board or committee meetings, to those who have attended the meetings.
2. A non-executive director is also paid commission on an annual basis, of such sum as may be recommended by the NRC and approved by the Board. The total commission payable to the non-executive director shall not exceed 1% (one percent) of the Company's standalone net profits, calculated as per the provisions of section 198 of the Act, and subject to a maximum of ₹ 40.00 million (Rupees Forty Million only) being the limit approved by the members. In case of loss or if profits are inadequate, the non-executive directors are entitled to receive remuneration, subject to the provisions of the Act. For the Financial Year ended on March 31, 2025, the Board has approved payment of commission to the non-executive directors as per the details provided in table IV below. Pursuant to and in compliance with provisions of regulation 17(6)(ca) of the Listing Regulations, annual remuneration of a single

non-executive director does not exceed 50% (fifty percent) of the total annual remuneration payable to all non-executive directors.

3. In determining the quantum of commission payable to non-executive directors, the NRC considers the overall performance of the Company, commission paid by comparable other companies and the onerous responsibilities required to be shouldered by the non-executive directors.
4. A non-executive directors is also reimbursed for the expenses incurred by him / her for attending the Board and / or committee meetings and members' meetings.
5. Apart from the above, there are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the Financial Year ended on March 31, 2025.
6. The Company has taken a Directors' and Officers' Liability Insurance Policy.

c. Remuneration to the Managing Director and the Executive Director:

Dr. Sharvil P. Patel is the Managing Director and Mr. Ganesh N. Nayak is the Executive Director of the Company. On the recommendation of the NRC, the Board decides and approves the remuneration payable to the Managing Director and the Executive Director within the ceiling fixed by the Board and members.

As per the recommendation of the NRC, remuneration, as per below table, is paid / payable to Dr. Sharvil P. Patel, Managing Director, and Mr. Ganesh N. Nayak, Executive Director, for the Financial Year ended on March 31, 2025.

(₹ in million)

Sr. No.	Name of the Director	Fixed	Variable	Total
1.	Dr. Sharvil P. Patel, Managing Director	210.00	150.00	360.00
2.	Mr. Ganesh N. Nayak, Executive Director	72.00	78.00	150.00
	Total	**282.00**	**228.00**	**510.00**

Notes:

1. Fixed pay is paid during the Financial Year ended on March 31, 2025, and the variable pay is recommended by the NRC and the Board for payment.
2. Fixed portion includes salary and other allowances, and variable portion includes commission.
3. In addition to fixed pay and variable pay, Dr. Sharvil P. Patel is entitled to Company's PF contribution, perquisites and retirement benefits and Mr. Ganesh N. Nayak is entitled to Company's PF contribution, perquisites and leave benefits.

The remuneration of the Managing Director for the Financial Year ended on March 31, 2025, has increased by 20% compared to the remuneration paid for the Financial Year ended on March 31, 2024.

The Company has entered into an agreement with Dr. Sharvil P. Patel for employment for a period of 5 (five) years. Either party to the agreement is entitled to terminate the agreement by giving not less than 3 (three) months' notice in writing to the other party.

For Dr. Sharvil P. Patel (promoter director), the NRC and the Board have decided that his (i) variable pay should not exceed 75% of the total fixed pay and (ii) total remuneration shall not exceed 2.5% of the net profits of the Company calculated as per the provisions of section 198 of the Act.

The remuneration of the Executive Director for the Financial Year ended on March 31, 2025, has increased by 7.14%, compared to the remuneration paid for the Financial Year ended on March 31, 2024.

The Company has entered into an agreement with Mr. Ganesh N. Nayak for employment for a period of 1 (one) year i.e. upto July 11, 2025. Either party to the agreement is entitled to terminate the agreement by giving not less than 3 (three) months' notice in writing to the other party. Based on the recommendation of the NRC, the Board at its meeting held on May 20, 2025, passed a resolution to re-appoint Mr. Ganesh N. Nayak as Director in employment of the Company for a further period of 5 (years) w.e.f. July 12, 2025 to July 11, 2030, subject to approval of the members at the ensuing AGM by way of special resolution, notwithstanding the fact that he has already attained the age of 70 (seventy) years.

Mr. Ganesh N. Nayak shall be paid a fixed remuneration of ₹ 3.00 million (Rupees Three Million only) per month i.e. ₹ 36.00 million (Rupees Thirty Six Million only) per annum inclusive of Company's contribution to Provident Fund. In addition to the said remuneration, Mr. Ganesh N. Nayak shall be entitled to the below perquisites:

Perquisites will *inter-alia* include premium on (i) personal accident insurance policy as per Company policy, (ii) medical premiums for self and family as per Company policy and (iii) car with driver for official and personal purposes.

Further, his remuneration shall be subject to revision every year based on his individual performance and performance of the Company, however, it shall be within the statutory limits prescribed under the Act.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria fixed by the Board / NRC.

d. Remuneration to Senior Management:

The Managing Director and the Executive Director, with the help of the President-Group Human Resources and Corporate Communication, carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors like-Key Performance Area v/s Initiatives, balance between fixed and variable pay, fixed components and perquisites and retirement benefits, criticality of roles and responsibilities, industry benchmarks and current compensation trends in the market. Further, any promotion at a senior level management is approved by the Management based on a predetermined process and after assessing the candidate's capability to shoulder higher responsibility.

The employees with an annual salary of ₹ 3.00 million (Rupees Three Million only) or above are covered under variable pay. The variable pay as a percentage to the salary ranges from 2.5% to 10%.

IV. Details of the commission / sitting fees paid to the Non-Executive Directors for the Financial Year ended on March 31, 2025, are given below:

(₹ in million)

Name of the Non-Executive Directors	Commission*	Sitting fees paid							Total
		Board Meetings	Audit committee Meetings	CSR and ESG committee Meetings	NRC Meetings	SRC Meetings	RMC Meetings	Separate meeting of IDs	
Mr. Pankaj R. Patel	--	0.70	N.A.	0.40	N.A.	0.10	0.20	N.A.	**1.40**
Mr. Nitin R. Desai	1.10	0.20	0.20	N.A.	0.10	N.A.	N.A.	N.A.	**1.60**
Mr. Bhadresh K. Shah	3.30	0.50	0.50	N.A.	0.10	0.10	N.A.	0.10	**4.60**
Ms. Dharmishtaben N. Raval	1.10	0.20	0.20	0.10	0.10	N.A.	N.A.	N.A.	**1.70**
Mr. Apurva S. Diwanji	3.30	0.60	0.60	N.A.	0	N.A.	0.20	0.10	**4.80**
Ms. Shelina P. Parikh	3.30	0.50	0.50	0.30	N.A.	N.A.	N.A.	0.10	**4.70**
Mr. Akhil A. Monappa	3.30	0.70	0.50	N.A.	N.A.	N.A.	0.20	0.10	**4.80**
Ms. Upasana K. Konidela	3.30	0.60	N.A.	0.30	0.10	N.A.	N.A.	0.10	**4.40**
Mr. Mukesh M. Patel	3.30	0.70	N.A.	N.A.	N.A.	0.10	0.20	N.A.	**4.30**
Total	**22.00**	**4.70**	**2.50**	**1.10**	**0.40**	**0.30**	**0.80**	**0.50**	**32.30**

Notes:

1. Ms. Shelina P. Parikh was appointed as an Additional Director as well as ID w.e.f. May 17, 2024.
2. Mr. Nitin R. Desai and Ms. Dharmishtaben N. Raval ceased to be the directors w.e.f. August 9, 2024.
3. Mr. Pankaj R. Patel has voluntarily decided not to receive commission.

The Nomination and Remuneration Policy is available on the website of the Company and the weblink of the same is provided separately in this report on page No. 226.

V. Stock Option:

The Company does not have any stock option scheme for its Directors or employees. Moreover, there is no separate provision for payment of severance fees to the Directors.

C. Corporate Social Responsibility ("CSR") and Environment Social and Governance ("CSR and ESG") Committee:

Pursuant to and in compliance with the provisions of section 135 of the Act, the Company has constituted a CSR and ESG Committee.

I. Terms of reference:

1. The terms of reference for CSR include the following:

To frame the CSR Policy and review it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and Rules framed thereunder and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The CSR Policy, as recommended by the CSR and ESG Committee, is approved by the Board. The details with regard to CSR, its composition, Policy, Projects, etc. are provided in the Board's Report.

2. The terms of reference for ESG include the following:

To provide strategic guidance and oversight into the Company's initiatives & practices towards ESG and respond to challenges posed by climate change through sustainable business practices. It will help to create long-term value for all stakeholders.

II. Composition, meetings held and attendance at the meetings during the year:

The composition of the CSR and ESG Committee as at March 31, 2025, and the details of members' attendance at the meetings of the CSR and ESG Committee which were held on May 17, 2024, August 9, 2024, November 12, 2024, and February 5, 2025, are as under:

Name of the Member	Category	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Pankaj R. Patel, Chairman	Non-Executive and Non-Independent	4	4	4	100 %
Dr. Sharvil P. Patel	Managing Director		4	4	
Ms. Dharmishtaben N. Raval	Non-Executive and Independent		1	1	
Ms. Upasana K. Konidela	Non-Executive and Independent		4	3	75 %
Ms. Shelina P. Parikh	Non-Executive and Independent		3	3	100 %

Note: The Board at its meeting held on May 17, 2024, passed a resolution to re-constitute the CSR and ESG Committee, by virtue of which Ms. Dharmishtaben N. Raval ceased to be member and Ms. Shelina P. Parikh was inducted as a member w.e.f. May 17, 2024.

D. Risk Management Committee ("RMC"):

Pursuant to and in compliance with the provisions of regulation 21(1) of the Listing Regulations, the Company has constituted the RMC and the majority of the members of the RMC are Directors. The Company has a well-defined risk management framework to identify, recognize, monitor, and mitigate risks and identify business opportunities. Business risk evaluation and its management is a continuous process within the organization. The Company has framed a Risk Management Policy, which is uploaded on the website and the weblink of the same is provided separately in this report on page No. 226.

I. Terms of Reference:

Role of the RMC, as enumerated in Para C of Part D of Schedule II of the Listing Regulations, shall be as under:

1. To formulate a detailed Risk Management Policy which shall include:
   i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the RMC,
   ii. Measures for risk mitigation including systems and processes for internal control of identified risks and
   iii. Business continuity plan.
2. To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company,
3. To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems,
4. To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity,

5. To keep the Board informed about the nature and content of its discussions, recommendations, and actions to be taken and
6. To recommend appointment, removal, and terms of remuneration of the Chief Risk Officer (if any).

The RMC reviewed the risks and extent of exposure and potential impact analysis was carried out by the management. It was confirmed by the Managing Director and the Chief Financial Officer that the mitigation actions are monitored.

II. Composition, meetings held and attendance at the meetings during the year:

The composition of the RMC as at March 31, 2025, and details of attendance of the RMC members at the meetings are given in the following table. The RMC met twice during the Financial Year ended on March 31, 2025, on April 18, 2024, and November 12, 2024.

Name of the Member	Category	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Pankaj R. Patel, Chairman	Non-Executive and Non-Independent	2	2	2	100%
Dr. Sharvil P. Patel	Managing Director		2	2	
Mr. Apurva S. Diwanji	Non-Executive and Independent		2	2	
Mr. Akhil A. Monappa	Non-Executive and Independent		2	2	
Mr. Mukesh M. Patel	Non-Executive and Non-Independent		2	2	
Mr. Nitin D. Parekh	Chief Financial Officer		2	2	

The Company Secretary acts as the secretary of the RMC.

E. Stakeholders' / Investors' Relationship Committee ("SRC"):

Pursuant to and in compliance with the provisions of section 178(5) of the Act and regulation 20(1) of the Listing Regulations, the Board has formed the SRC. The terms of reference of the SRC are specified in Para A of Part D of Schedule II of the Listing Regulations which are mentioned here under:

I. Terms of reference:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.,
2. Review of measures taken for effective exercise of voting rights by members,
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the RTA and
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend cheques / annual reports / statutory notices by the members of the Company.

The Chairman of the SRC attended the AGM of the Company held on August 9, 2024.

II. Composition, meetings held and attendance of members at the meetings:

The SRC met once during the Financial Year ended on March 31, 2025, on May 17, 2024. The composition of the SRC as at March 31, 2025, and details of the attendance of its members are as under:

Name of the Member	Category	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Mukesh M. Patel, Chairman	Non-Executive and Non-Independent	1	1	1	100%
Mr. Pankaj R. Patel	Non-Executive and Non-Independent		1	1	
Dr. Sharvil P. Patel	Managing Director		1	1	
Mr. Bhadresh K. Shah	Non-Executive and Independent		1	1	

Mr. Dhaval N. Soni, Company Secretary of the Company (Fellow Member of The Institute of Company Secretaries of India) acts as the Secretary to the SRC, who is designated as a Compliance Officer pursuant to and in compliance with regulation 6 of the Listing Regulations.

The SRC ensures that the members' / investors' grievances and correspondence are attended and resolved expeditiously.

1,481 (one thousand four hundred eighty one) equity shares remained in the in-transit account with National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**") (NSDL and CDSL are collectively referred to as "the **Depositories**") as at March 31, 2025.

III. Number of complaints:

During the Financial Year ended on March 31, 2025, the Company has resolved investor grievances expeditiously. The Company and / or its RTA have received 17 (seventeen) complaints from SEBI / Stock Exchanges and directly from the members, which were resolved within the time frame laid down by SEBI.

F. Share Transfer Committee ("STC"):

I. Terms of reference:

The STC is empowered to perform all the functions of the Board in relation to approval and monitoring of transfer, transmission, transposition, dematerialization, rematerialization, issue of duplicate share certificate, splitting and consolidation of shares issued by the Company. The STC also oversees the functions of MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), the Registrar and Share Transfer Agent ("**RTA**") of the Company. The Board has delegated the powers to approve the transfer of shares to the STC.

II. Composition:

As at March 31, 2025, the STC comprised of the following members:

1. Mr. Pankaj R. Patel (Non-Executive and Non-Independent)-Chairman,
2. Dr. Sharvil P. Patel (Managing Director) and
3. Mr. Mukesh M. Patel (Non-Executive and Non-Independent).

The Company Secretary acts as the Secretary to the STC.

III. Meetings held and the attendance of members at the meetings:

The STC meets on a need basis to ensure the regular process of transfer / transmission of shares, split, consolidation, dematerialization / rematerialization and issuance of duplicate share certificates.

G. Finance and Administration Committee ("FAC"):

The Board at its meeting held on August 5, 2020, constituted the FAC with Mr. Pankaj R. Patel as the Chairman and Dr. Sharvil P. Patel and Mr. Ganesh N. Nayak as the members. The FAC looks after the businesses, which are broadly related to financing i.e. borrowing funds, making investments / providing loan / corporate guarantee to subsidiary companies and other businesses which are of routine / administrative nature and within the overall Board approved directions and framework. The Company Secretary acts as the Secretary to the FAC. The FAC met 14 (fourteen) times during the Financial Year ended on March 31, 2025, and all the members were present at the meetings.

Minutes of the FAC are placed before the Board for information.

4. INDEPENDENT DIRECTORS' MEETING:

Pursuant to and in compliance with regulation 25(3) of the Listing Regulations, a separate meeting of IDs, without the attendance of the non-Independent Directors was held on February 5, 2025, under the chairmanship of Mr. Bhadresh K. Shah, *inter-alia*, to discuss:

1. Evaluation of performance of non-Independent Directors and the Board as a whole,
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors and
3. Evaluation of the quality, content, and timelines of flow of information between the Management and the Board that is necessary to effectively and reasonably perform its duties.

All the IDs were present at the said meeting, except Ms. Upasana K. Konidela. The performance of the non-independent directors, the Board as a whole and Chairman of the Company was evaluated by the IDs, taking into account the views of executive directors and non-executive directors. They were satisfied with the performance of the Chairman and the Managing Director. They also expressed their appreciation on the overall positive performance of the Company. They also appreciated the quality, content, and timelines of flow of information between Management and the Board.

5. SUBSIDIARY COMPANIES:

As per the provisions of Schedule V(C)(10)(n) of the Listing Regulations, the details of the material subsidiary companies of the Company are provided in the below table:

Sr. No.	Name of the material subsidiary company	Incorporation details		Statutory Auditor's details		Other details
		Date	Place	Name	Date of appointment	
1.	Zydus Healthcare Limited ("**ZHL**")	August 1, 1989	State of Maharashtra	Deloitte Haskins & Sells LLP	August 10, 2017	unlisted companies incorporated in India
2.	Zydus Animal Health and Investments Limited ("**ZAHL**")	May 10, 2018	State of Gujarat	Mukesh M. Shah & Co.	August 8, 2019	
3.	Zydus Wellness Limited ("**ZWL**")	November 1, 1994			August 27, 2020	listed company incorporated in India
4.	Zydus Wellness Products Limited ("**ZWPL**")	February 28, 2019		Dhirubhai Shah & Co. LLP	July 30, 2019	unlisted company incorporated in India
5.	Zydus Pharmaceuticals USA Inc. ("**ZPUI**")	November 18, 2003	New Jersey, USA	Ram Associates	December 29, 2005	unlisted company incorporated in USA

Notes:

1. ZHL was incorporated in the State of Maharashtra. As on date, the registered office of ZHL, ZAHL, ZWL and ZWPL are situated at Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad-382481, Gujarat.
2. Deloitte Haskins & Sells LLP, Chartered Accountants ("**Deloitte**") were appointed as the Statutory Auditors of ZHL for their first term of 5 (five) years on August 10, 2017. Deloitte were re-appointed as the Statutory Auditors of ZHL for their second term of 5 (five) years on August 5, 2022.
3. ZWPL is a wholly owned subsidiary of ZWL.

The financial statements of subsidiary companies, particularly the investments made by subsidiary companies, if any, during the quarter, are reviewed by the Audit Committee.

The Board minutes of Indian unlisted subsidiary companies along with a report on significant developments of the unlisted Indian subsidiary companies are periodically placed at the Board meeting for information.

6. DISCLOSURES:

A. Related Party Transactions:

All transactions entered into with related parties as defined under section 2(76) of the Act and regulation 2(1)(zb) read with regulation 23 of the Listing Regulations during the Financial Year ended on March 31, 2025, were in the ordinary course of business, on an arm's length basis and as per the policy on related party transactions. There were no materially significant transactions with related parties during the Financial Year ended on March 31, 2025, which were in conflict of interest of the Company. Suitable disclosures, as required by Ind AS 24, have been made in the notes to the Financial Statements.

The transactions by the Company with ZPUI are material related party transactions. However, as the criteria prescribed under regulation 23(5) of the Listing Regulations are met, approval of the members of the Company is not required for entering into material related party transactions with ZPUI.

Pursuant to and in compliance with regulation 24(1) of the Listing Regulations, the Company has appointed Mr. Bhadresh K. Shah, ID of the Company, on the Board of ZHL and ZPUI. The Company is not required to appoint an ID on the Board of ZWL, ZWPL and ZAHL.

Pursuant to and in compliance with regulation 23(1) of the Listing Regulations, the Board has approved policy on related party transactions, which includes the clear threshold limits, beyond which a transaction will be considered as a material related party transaction and the said policy has been uploaded on the website of the Company and the weblink of the same is provided separately in this report on page No. 226.

During the Financial Year ended on March 31, 2025, there was no transaction between the Company and any of the promoter or promoter group of the Company, which holds 10% (ten percent) or more of the shareholding of the Company.

Pursuant to and in compliance with regulation 23(9) of the Listing Regulations, the related party transactions are

disclosed to the stock exchanges in the prescribed format on the date of publication of financial results and are uploaded on the website of the Company on the same day.

B. Code of Conduct:

The Company has laid down a Code of Conduct for all the Board members and Senior Management. The Code of Conduct is available on the website of the Company and the weblink of the same is provided separately in this report on page No. 226.

Pursuant to and in compliance with regulation 26(3) of the Listing Regulations, all the Board members and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended on March 31, 2025. The declaration of the Managing Director is given below:

To the members of **Zydus Lifesciences Limited**

Sub.: Compliance with Code of Conduct

I hereby declare that all the Board members and Senior Management have affirmed compliance with the Code of Conduct as adopted by the Board.

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Place : Ahmedabad
Date : May 20, 2025

C. Prohibition of Insider Trading:

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**Insider Trading Regulations**") as amended, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the promoters, directors, designated persons, and their immediate relatives, connected persons and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code of Conduct lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company.

The Company uses software to monitor the trading in the equity shares of the Company mainly during the trading window closure and the reversal of the transactions by the designated persons. The Company also maintains the structured digital database as mandated under the Insider Trading Regulations. There were no instances of leakage of unpublished price sensitive information during the Financial Year ended on March 31, 2025.

Equity Shares held by the Directors as at March 31, 2025:

Name of the Directors	No. of Equity Shares held	Details of Equity Shares bought (+) / sold (-) during the Financial Year ended on March 31, 2025
Mr. Pankaj R. Patel	754,401,994 *	Nil
Mr. Bhadresh K. Shah	Nil	Nil
Mr. Apurva S. Diwanji	Nil	Nil
Ms. Shelina P. Parikh	4,400	Nil
Mr. Akhil A. Monappa	Nil	Nil
Ms. Upasana K. Konidela	Nil	Nil
Mr. Mukesh M. Patel	11,687	Nil
Dr. Sharvil P. Patel	14,775	Nil
Mr. Ganesh N. Nayak	246,278	Nil

* Including (a) 754,313,343 shares held as a Trustee of Zydus Family Trust; (b) 29,550 shares held as a Karta of Pankaj R. Patel HUF; (c) 14,700 shares held as a Trustee of R B Patel Will Pankaj Trust; (d) 14,775 shares held as a Karta of Pankaj R. Patel Smaller HUF; (e) 14,775 shares held as a Trustee of Taraben Patel Family Will Trust; and (f) 14,851 shares held in individual capacity.

D. Whistle Blower Policy:

Pursuant to and in compliance with the provisions of section 177(9) of the Act and regulation 22(1) of the Listing Regulations, the Company has formulated a Whistle Blower Policy to deal with any instance of fraud, mismanagement and to report instances of leakage of unpublished price sensitive information. All the stakeholders are free to report violations of any laws,

rules, regulations, and concerns about unethical conduct to the Audit committee under Whistle Blower Policy. No personnel have been denied access to the Audit committee pertaining to Whistle Blower Policy. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and that no discrimination is done against any person for a genuinely raised concern. The Board at its meeting held on May 17, 2024, amended the Whistle Blower Policy to widen the coverage of the policy to cover all the stakeholders. The Whistle Blower Policy is available on the website of the Company and the weblink of the same is provided separately in this report on page No. 226.

E. Management:

i. Management Discussion and Analysis Report ("MDA"):

The MDA is set out in a separate section included in this Integrated Annual Report and forms a part of this Report.

ii. Disclosure of material financial and commercial transactions:

Pursuant to and in compliance with the provisions of regulation 26(5) of the Listing Regulations, the Senior Management have confirmed that they have not entered into material financial and commercial transactions that may have a potential conflict with the interest of the Company at large during the Financial Year ended on March 31, 2025.

iii. Disclosure of compensation or profit sharing in connection with dealing in the securities of the Company:

Pursuant to and in compliance with the provisions of regulation 26(6) of the Listing Regulations, the Directors, Promoters, KMP and Senior Management have confirmed that they have not entered into any agreement 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 the securities of the Company.

iv. Disclosure of certain types of agreements binding the Company:

The Company has not been informed of any agreement under regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations. Accordingly, there was no requirement for disclosing the same.

F. Disclosure regarding re-appointment of Directors:

The particulars about the brief resume and other information of the Directors seeking re-appointment as required to be disclosed under this section as per standard 1.2.5 of the Secretarial Standard on General Meetings and regulation 36(3) of the Listing Regulations are provided as an annexure to the notice convening the Thirtieth AGM.

G. Compliance by the Company:

The Company has complied with all the mandatory requirements of the Listing Regulations, regulations, and guidelines of SEBI. Further, during the last 3 (three) years, no penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets. The equity shares of the Company were not suspended from trading at any time during the Financial Year ended on March 31, 2025.

The Company has in place a comprehensive and robust legal compliance management digital tool, which is devised to ensure compliance with all applicable laws which are applicable to the Company. Automated alerts are sent to compliance owners to ensure compliance within stipulated timelines.

A certificate of compliance with all applicable laws and regulations is placed before the Board on a quarterly basis.

H. CEO / CFO Certification:

The certificate from the Managing Director and the Chief Financial Officer required to be given under regulation 17(8) read with Part B of Schedule II of the Listing Regulations was placed before the Board and forms a part of this report, which is attached as **Annexure-"A"**.

I. Transfer of unclaimed / unpaid dividend amount and shares to Investor Education and Protection Fund ("IEPF"):

Pursuant to the provisions of sections 124 and 125 of the Act read with the Rules framed thereunder, dividend, if not claimed for a period of 7 (seven) consecutive years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for 7 (seven) consecutive years or more from the date of transfer to the Unpaid Dividend Account shall also be transferred to IEPF. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of members, the Company sent reminders to the members to claim their dividends / shares before transfer of dividend / shares to IEPF. Notice in this regard was also published in the newspapers and the details of unclaimed dividends and members whose shares are liable to be transferred to IEPF, are uploaded on the website of the Company.

In light of the aforesaid provisions, 207,631 (two hundred seven thousand six hundred thirty one) equity shares held by 180 (one hundred eighty) members were transferred to IEPF for which the Company has complied with the necessary requirements.

Moreover, ₹ 7.99 million (Rupees Seven Million Nine Hundred Ninety Thousand only) held by 3,312 (three thousand three hundred twelve) members, being the unclaimed dividend, pertaining to the dividend for the Financial Year ended on March 31, 2017, was transferred to IEPF after giving notice to the members to claim their unpaid / unclaimed dividend.

As at March 31, 2025, 1,690,878 (one million six hundred ninety thousand eight hundred seventy eight) equity shares are lying with IEPF.

Status of unclaimed dividend and shares which are transferred to IEPF is as under:

Unclaimed dividend and shares	Status	Can it be claimed	Can be claimed from	Actions to be taken
Upto and including the Financial Year 2016-2017	Transferred to IEPF	Yes	IEPF Authority Member to file online Form No. IEPF-5 and send the said form to the Nodal Officer of the Company at the Registered Office with complete documents. The Nodal Officer will file an e-verification with IEPF Authority.	IEPF authority to credit the claimed shares and / or dividend amount based on the e-verification form filed by the Company and the documents submitted by the member.
For the Financial Years 2017-2018 to 2023-2024	Amount is lying in the respective unclaimed dividend account	Yes	The Company and / or RTA	Member to make an application to RTA along with KYC documents.

Details of the date of declaration of dividend and the due date of transfer to IEPF are provided in Note No. 6 of the Notice convening the Thirtieth AGM.

J. Credit Rating:

The details of credit ratings obtained during the Financial Year ended on March 31, 2025 (no change compared to last year), are provided in below table:

Sr. No.	Facility / Instrument	Amount (₹ in million)	Ratings
1.	Various Bank Facilities	47,240	Long term rating CRISIL AAA/Stable (Reaffirmed) Short term rating CRISIL A1+ (Reaffirmed)
2.	Commercial Papers (**"CPs"**) *	2,000	CRISIL A1+ (Reaffirmed)
3.	Non-Convertible Debentures (**"NCDs"**) *	500	CRISIL AAA/Stable (Reaffirmed)
4.		750	CRISIL AAA/Stable (Reaffirmed)

* No CPs / NCDs were issued during the Financial Year ended on March 31, 2025.

K. Utilization of funds:

The Company has not raised any funds through preferential allotment or qualified institutional placement during the Financial Year ended on March 31, 2025.

L. Certificate regarding non-debarment and non-disqualification of directors:

Pursuant to and in compliance with the provisions of para C(10)(i) of Schedule V of the Listing Regulations, the Company has obtained a certificate from Manoj Hurkat & Associates, Practicing Company Secretaries, that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / MCA or any such Statutory Authority. The said certificate forms a part of this report, which is attached as **Annexure-"B"**.

M. Fees paid to the Statutory Auditors:

During the Financial Year ended on March 31, 2025, Deloitte, the Statutory Auditors of the Company and ZHL, a wholly owned subsidiary company, were paid fees for audit and providing other services as per below details:

(₹ in million)

Sr. No.	Name of the Company	Fees paid		Total
		For Statutory Audit	For providing other services	
1.	Zydus Lifesciences Limited	17.90	5.37	23.27
2.	Zydus Healthcare Limited	4.60	0.02	4.62
Total		**22.50**	**5.39**	**27.89**

N. Recommendation of the committees:

Recommendations of the committees are submitted to the Board for approval and the Board has, after due deliberations, accepted all the recommendations.

O. Disclosure regarding Sexual Harassment of Women at Workplace:

The Company has adopted a policy on Sexual Harassment of Women at Workplace for prevention, prohibition, and redressal of sexual harassment at workplace pursuant to and in compliance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder.

Details of complaints received and resolved are provided in below table:

Sr. No.	Particulars	Number
1.	Number of complaints as at April 1, 2024	0
2.	Number of complaints received during the year	6
3.	Number of complaints resolved during the year	6
4.	Number of complaints pending as at March 31, 2025	0

P. Accounting Standards:

In preparing the annual financial statements of the Company, the treatment as prescribed in the Accounting Standards has been followed.

Q. Dividend Distribution Policy:

Pursuant to and in compliance with the provisions of regulation 43A of the Listing Regulations, the Company has formulated the Dividend Distribution Policy, which is approved by the Board and is uploaded on Company's website and the weblink for the same is provided separately in this report on page No. 226.

R. Materiality of an event:

Pursuant to and in compliance with the provisions of regulation 30(4)(ii) of the Listing Regulations, the Board has approved the policy to determine the materiality of an event or information and the same is available on the website of the Company and the weblink for the same is provided separately in this report on page No. 226. The details of the KMP authorized to determine materiality of an event or information and who is authorized to inform an event or information to the stock exchanges are also uploaded on the website of the Company and the weblink for the same is provided separately in this report on page No. 227.

The Company makes timely disclosures of necessary information to BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"), where shares of the Company are listed, in compliance with the provisions of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

S. Unclaimed Suspense Account:

The Company has opened Unclaimed Suspense Account and transferred equity shares of those shareholders, whose shares are unclaimed, to the said account after following the process as prescribed under regulation 39(4) read with Schedule VI of the Listing Regulations. Voting rights of all the shares transferred to Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

Members who have not yet claimed their shares are requested to immediately approach RTA of the Company by forwarding a request letter duly signed by all the joint holders furnishing their complete postal address along with pin code, self-attested copies of PAN card and proof of address, self-attested copy of client master list and Form ISR-2 (confirmation of signature of securities holder by the Banker), to enable the Company to release the said shares to the rightful owner.

The details of unclaimed shares are provided in below table:

Sr. No.	Particulars	No. of Members	No. of Equity Shares
1.	Aggregate number of members and the outstanding shares in the unclaimed suspense account lying at the beginning of the year	190	222,430
2.	Less: Number of shares transferred to IEPF	35	42,175
3.	Less: Number of members who approached the listed entity for transfer of shares from unclaimed suspense account during the year and to whom shares were transferred	5	7,440
4.	Aggregate number of members and the outstanding shares in the unclaimed suspense account lying at the end of the year (1-2-3)	150	1,72,815

Further, the Company has opened a Suspense Escrow Account with a DP to enable transfer of shares lying unclaimed for a period of more than 120 (one hundred twenty) days from the date of issuance of letter of confirmation. During the Financial Year ended on March 31, 2025, no shares were required to be transferred to such Suspense Escrow Account. Moreover, till date, no shares were required to be transferred to the Suspense Escrow Account.

As per the SEBI Circular, any corporate benefits on the shares transferred to the Suspense Escrow Account i.e. bonus, split, etc. shall be credited to such Suspense Escrow Account. The concerned member shall be entitled to vote, to receive dividends and notice of general meetings and annual reports.

T. Loans and advances:

The Company has not given loans and advances in the nature of loan to companies in which the Directors of the Company are interested during the Financial Year ended on March 31, 2025, except those disclosed in the Audited Financial Statements.

U. Secretarial Audit and Secretarial Compliance Report:

Pursuant to and in compliance with regulation 24A(1) of the Listing Regulations, the Company, ZHL and ZAHL (material unlisted Indian subsidiary companies) have carried out the secretarial audit (by Peer Reviewed Secretarial Auditors) and their respective reports are attached to the Directors Report. In addition to the above, the Company will submit the secretarial compliance report to the stock exchanges within the prescribed time frame of 60 (sixty) days from the end of the financial year.

V. Senior Management:

The Senior Management of the Company comprises of members of the management who are reporting to the Chairman, the Managing Director and the Executive Director and includes functional heads by whatever name called.

The Senior Management of the Company as at March 31, 2025, and the changes therein during the year are provided in below table:

Sr. No.	Name of the Senior Management	Function
1	Mr. Harish Sadana	Corporate Matters (Refer Note 1)
2	Mr. Nitin D. Parekh	Chief Financial Officer (Finance and Legal)
3	Mr. Prashant Sharma	Technical Operations (Formulations and API)
4	Mr. Vipul Doshi	Quality and Regulatory Affairs
5	Dr. Amrut Naik	International Markets
6	Mr. Samir Desai	Biologics Business
7	Mr. Rishikesh Raval	Human Resources and Corporate Communication
8	Mr. M E Kannan	R&D-Pharmaceutical Technology Centre
9	Dr. Mukul Jain	R&D-Biology
10	Mr. Kapil Maithal	R&D-Vaccines and manufacturing operations
11	Mr. Sanjeev Kumar	R&D-Biologics Research and Manufacturing
12	Mr. Vikram Shukla	Parenteral Operations (Refer Note 2)
13	Mr. Keyur Parekh	Business Strategy (India Business)
14	Dr. Ravindra Mittal	Medical Affairs (Refer Note 3)
15	Mr. Gaurav Suchak	Global Demand and Supply Organization and IT
16	Mr. Alok Garg	Business Strategy (International Markets and Inorganic Strategy)
17	Mr. Pravin Iyer	R&D-Medicinal Chemistry
18	Mr. Manoj Kamra	Corporate Affairs
19	Mr. Mayank Satpal	Digital Initiatives
20	Mr. Vijay Bhalerao	India Formulations Business (Refer Note 4)
21	Mr. Dhaval N. Soni	Company Secretary and Compliance Officer

Note 1 : As a part of overall group restructuring, Mr. Harish Sadana was transferred to another strategic role in the capacity as President-Corporate Matters and hence, resigned as the Managing Director of ZHL w.e.f. February 10, 2025. However, he continues to form part of Senior Management of the Company.

Note 2 : Mr. Vikram Shukla was appointed as President-Parenteral Operations w.e.f. January 3, 2025.

Note 3 : Dr. Ravindra Mittal superannuated on May 31, 2024, and hence ceased to be the Senior Management w.e.f. the said date.

Note 4 : Mr. Vijay Bhalerao was appointed as the Whole Time Director of ZHL w.e.f. February 10, 2025, and hence forms part of Senior Management of the Company.

w. Public Policy:

The Company has a Public Policy which considers engaging with public as a crucial dimension to create an enabling environment to improve access to quality medicines and healthcare. The Public Policy is available on the website of the Company and the weblink of the same is provided separately in this report on page No. 226.

7. MEANS OF COMMUNICATION:

i. The Company has 379,848 (three hundred seventy nine thousand eight hundred forty eight) members as on March 31, 2025. The main channel of communication to the members is through Annual Report, which includes, *inter-alia*, the Board's Report, MDA, Corporate Governance Report, BRSR and Audited Financial Statements.

ii. The Annual General Meeting is a platform for face-to-face communication with the members. The Chairman, the Managing Director and other KMP respond to the specific queries of the members.

iii. The Company intimates to the Stock Exchanges all price sensitive matters which in its opinion are material and of relevance to the members and subsequently issues a Press Release on such matters, wherever necessary.

iv. The quarterly, half yearly and yearly results are published in widely circulating national and local daily 'Financial Express' in English and Gujarati. The results are also posted on the website of the Company www.zyduslife.com and the same are not sent individually to the members.

v. The Company's results and official news releases are displayed on the website of the Company www.zyduslife.com. The Company keeps a call after the Board meeting with institutional investors. The Company also makes investor presentations. The investor presentations, the telecon speeches and the transcripts are uploaded on the website of the Company. Information to the Stock Exchanges is being filed online on NEAPS of NSE and online listing portal of BSE.

The quarterly calls are attended by the Managing Director, the Executive Director, the Chief Financial Officer, head of Investor Relations, representatives from the corporate finance team and MD office.

All periodical compliance filings are filed electronically in accordance with the Listing Regulations. Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are searchable.

vi. Pursuant to and in compliance with the provisions of regulation 46 of the Listing Regulations, a separate section of 'Investor Zone' i.e. 'Disclosure under regulation 46 of the Listing Regulations' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Reports, financial results along with the applicable policies of the Company, etc.

8. GENERAL BODY MEETINGS:

i. Details of last 3 (three) Annual General Meetings held are provided hereunder:

Year	Date and Time	Venue
2023-2024	Twenty Ninth AGM on August 9, 2024, at 10.00 a.m. (IST)	Through Video Conferencing / Other Audio Visual Means ("**VC / OAVM**")
2022-2023	Twenty Eighth AGM on August 11, 2023, at 10.00 a.m. (IST)	
2021-2022	Twenty Seventh AGM on August 10, 2022, at 10.00 a.m. (IST)	

ii. Special Resolutions passed in the last 3 (three) Annual General Meetings:

Sr. No.	Nature of Special Resolutions passed	Relevant provisions of the Act	AGM details
1.	Re-appointment of Mr. Ganesh N. Nayak as the Whole Time Director for a further period of 1 (one) year	Sections 2(51), 196, 197, 203 of the Act	Twenty Ninth AGM held on August 9, 2024
2.	Appointment of Ms. Shelina P. Parikh as an ID for the first term of 5 (five) consecutive years	Sections 149, 150 and 152 of the Act	
3.	Re-appointment of Mr. Bhadresh K. Shah as an ID for the second term of 5 (five) consecutive years	Sections 149, 150 and 152 of the Act	Twenty Eighth AGM held on August 11, 2023

iii. Approval of members through Postal Ballot:

During the Financial Year ended on March 31, 2025, the Company has not sought or passed any resolution through Postal Ballot.

iv. Extra Ordinary General meetings:

During the Financial Year ended on March 31, 2025, the Company has not held any Extra Ordinary General meeting.

9. GENERAL MEMBER INFORMATION:

i. General information:

Corporate Identification Number (CIN)	L24230GJ1995PLC025878
Registered Office Address	Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle, S G Highway, Ahmedabad-382481
Date and Time of Thirtieth AGM	August 12, 2025, at 10.00 a.m. (IST)
Cut-off Date	Tuesday, August 5, 2025 A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the Depositories as on the cut-off date, shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
E-voting start time	9.00 a.m. (IST) on Saturday, August 9, 2025
E-voting end time	5.00 p.m. (IST) on Monday, August 11, 2025
Venue of Thirtieth AGM	As the AGM is to be held through VC / OAVM, the deemed venue shall be considered as the Registered Office of the Company.
Financial Year	April 1, 2024, to March 31, 2025
Record Date (for dividend)	Friday, July 25, 2025 A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the Depositories as on this date, shall be entitled to receive dividend.
Dividend Payment Date	On or after Thursday, August 14, 2025, subject to approval of members.
Compliance Officer	Mr. Dhaval N. Soni, Company Secretary
Website Address	www.zyduslife.com

ii. Tentative financial calendar:

First Quarter Results	On or before August 14, 2025
Half Yearly Results	On or before November 14, 2025
Third Quarter Results	On or before February 14, 2026
Audited Results for the year 2024-2025	On or before May 30, 2026

The trading window closure for the financial results shall be from the first day, from the closure of the quarter till the completion of 48 hours after the financial results become generally available.

iii. Listing, stock code and closing price:

The equity shares of the Company are listed on NSE and BSE.

Name and Address of the Stock Exchange	Stock Code	Closing Price as on March 31, 2025 (₹)
The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051	Zyduslife	886.40
BSE Limited P J Towers, Dalal Street, Mumbai-400001	532321	885.70

iv. Listing / Custodian fees:

The Company has paid the annual listing / custodian fees for the Financial Year 2025-2026 to the Stock Exchanges and the Depositories.

v. Registrar and Share Transfer Agent:

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) is the RTA of the Company.

For lodgment of any documents or any grievances / complaints, members may contact the Company's RTA at the following address:

MUFG Intime India Private Limited
(Unit: Zydus Lifesciences Limited)
5th Floor, 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off. CG Road, Navrangpura, Ahmedabad-380006.
Telephone and Fax: 079-2646 5179 / 5186 / 5187
E-mail id: ahmedabad@in.mpms.mufg.com · Website: https://in.mpms.mufg.com

vi. Share transfer system:

The STC has been constituted to approve the transfers, transmission, issue of duplicate shares, etc. The Company's RTA has adequate infrastructure to process the above matters.

The Company, on a yearly basis files with the Stock Exchanges, a compliance certificate duly signed by both, the Compliance Officer of the Company and the authorised representative of the RTA, certifying that all activities in relation to share transfer facility are maintained by MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), a SEBI approved Category-I Registrar and Share Transfer Agent registered with SEBI vide Registration No. INR000004058.

vii. Reconciliation of Share Capital:

A Practicing Chartered Accountant carried out an audit in respect of each of the quarters in the Financial Year ended on March 31, 2025, to reconcile the total admitted capital with the Depositories and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of shares in physical mode and the total number of shares in demat mode held with the Depositories.

viii. Distribution of shareholding of Equity Shares as at March 31, 2025:

No. of Equity Shares	No. of Folios	% to total folios	No. of Equity Shares	% of Shareholding
1 to 500	360662	94.95	15946073	1.58
501 to 1000	9939	2.62	7490518	0.75
1001 to 2000	4479	1.18	6517145	0.65
2001 to 3000	1654	0.44	4159438	0.41
3001 to 4000	745	0.20	2630734	0.26
4001 to 5000	529	0.14	2422397	0.24
5001 to 10000	812	0.21	5678039	0.57
10001 and above	1028	0.27	961389646	95.54
Grand Total	**379848**	**100.00**	**1006233990**	**100.00**
Members in Physical Mode	1076	0.28	1370076	0.14
Members in Electronic Mode	378772	99.72	1004863914	99.86
Grand Total	**379848**	**100.00**	**1006233990**	**100.00**

ix. Categories of members as at March 31, 2025:

Category	No. of Equity Shares Held		Total Equity Shares	% of Shareholding
	Physical	Electronic		
Promoters' holding	0	754624314	754624314	74.99
Mutual Funds	0	64011609	64011609	6.36
Banks, FIs and Insurance Companies	2310	44275872	44278182	4.40
Foreign Institutional Investors / Foreign Portfolio Investor / Foreign Nationals	0	73610460	73610460	7.31
NRIs	6825	3021086	3027911	0.30
Other Bodies Corporate	0	5610560	5610560	0.56
Central and State Government	0	14909	14909	0.00
Indian public	1362400	53389582	54751982	5.44
Others	750	6303313	6304063	0.63
Total	**1372285**	**1004861705**	**1006233990**	**100.00**

x. Top 10 (ten) members of the Company as at March 31, 2025:

Sr. No.	Name of the member	Category	Sub-category	No. of Equity Shares held	% of Shareholding
1	Zydus Family Trust	Promoter and Promoter Group	Promoter Group	754313343	74.96
2	Life Insurance Corporation of India	Public	Insurance Companies	31078353	3.09
3	Life Insurance Corporation of India-P & Gs Fund	Public	Insurance Companies	12822659	1.27
4	Kotak Flexicap Fund	Public	Mutual Funds	10500000	1.04
5	Parag Parikh Flexi Cap Fund	Public	Mutual Funds	7383055	0.73
6	BNP Paribas Financial Markets-Odi	Public	Foreign Portfolio Investor	4784438	0.48
7	Government Pension Fund Global	Public	Foreign Portfolio Investor	4578154	0.46
8	Kotak Emerging Equity Scheme	Public	Mutual Funds	3573736	0.36
9	HDFC Life Insurance Company Limited	Public	Insurance Companies	3225990	0.32
10	Vanguard Total International Stock Index Fund	Public	Foreign Portfolio Investor	3006584	0.30
	Total			**835266312**	**83.01**

xi. Dematerialization of shares and liquidity:

The Company's equity shares are required to be compulsorily traded on the Stock Exchanges in dematerialized mode. Approximately 99.86% of the equity shares have been dematerialized. ISIN for dematerialization of the equity shares of the Company is INE010B01027.

xii. Location of the company's manufacturing plants:

The details of the locations of the manufacturing plants of the Company are mentioned on the inside cover page of the Integrated Annual Report.

xiii. Address for correspondence:

Members' correspondence should be addressed to the RTA at the address mentioned above.

Members may also contact the Company Secretary at the Registered Office of the Company for any assistance.

Mr. Dhaval N. Soni, Company Secretary and Compliance Officer
Telephone: 079-48040000; Ext: 338
E-mail: companysecretary@zyduslife.com; dhavalsoni@zyduslife.com

In accordance with the provisions of IEPF Rules, the Board has appointed Mr. Dhaval N. Soni as the Nodal officer for the purpose of coordination with the IEPF Authority.

Members holding shares in the demat mode should address all their correspondence to their respective DP.

xiv. Outstanding GDRs / ADRs / Warrants, its conversion date and likely impact on equity:

During the Financial Year ended on March 31, 2025, the Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

xv. Details of non-compliance:

There was no non-compliance during the Financial Year ended on March 31, 2025. Manoj Hurkat & Associates, Practicing Company Secretaries have certified the compliance of the conditions of Corporate Governance and the certificate forms a part of this report, which is attached as **Annexure-"C"**. The certificate shall also be sent to the Stock Exchanges along with the Integrated Annual Report.

xvi. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal with commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018, is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to the MDA.

xvii. Weblinks:

List of various policies approved by the Board and other details and their respective weblinks are provided in the below table:

Sr. No.	Policy / Other details / Weblink
1.	Dividend Distribution Policy https://www.zyduslife.com/public/pdf/companypolicy/Dividend-Distribution-Policy.pdf
2.	Archival Policy https://www.zyduslife.com/public/pdf/companypolicy/Archival-Policy.pdf
3.	Policy for Determination and Disclosure of Materiality of an Event or Information https://www.zyduslife.com/public/pdf/companypolicy/Policy-for-Determination-and-Disclosure-of-Materiality-of-an-event-or-information.pdf
4.	Familiarization Program for Independent Directors https://www.zyduslife.com/public/pdf/companypolicy/Familiarization-Program-for-Independent-Directors.pdf
5.	Human Rights Policy https://www.zyduslife.com/public/pdf/companypolicy/Human-Rights-Policy.pdf
6.	Code of Business Conduct and Ethics https://www.zyduslife.com/public/pdf/companypolicy/Code-of-Business-Conduct-and-Ethics.pdf
7.	Policy for monitoring Stationary https://www.zyduslife.com/public/pdf/companypolicy/Policy-for-monitoring-stationary.pdf
8.	Corporate Social Responsibility Policy https://www.zyduslife.com/public/pdf/companypolicy/Corporate-Social-Responsibility-Policy.pdf
9.	Policy for determination of Legitimate Purpose for sharing Unpublished Price Sensitive Information https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-Determination-of-Legitimate-Purpose-for-sharing-UPSI.pdf
10.	Policy on inquiry on leakage of Unpublished Price Sensitive Information https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-inquiry-on-leakage-of-UPSI.pdf
11.	Policy on Preservation of Documents https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-Preservation-of-Documents.pdf
12.	Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions https://www.zyduslife.com/public/pdf/Policy_on_Related_Party_Transactions.pdf
13.	Policy to determine Material Subsidiary https://www.zyduslife.com/public/pdf/companypolicy/Policy-to-determine-Material-Subsidiary.pdf
14.	Public Policy https://www.zyduslife.com/public/pdf/companypolicy/Public-Policy.pdf
15.	Risk Management Policy https://www.zyduslife.com/public/pdf/companypolicy/Risk-Management-Policy.pdf
16.	Environment Health and Safety Policy https://www.zyduslife.com/public/pdf/companypolicy/Environment-Health-and-Safety-Policy.pdf
17.	Whistle Blower Policy https://www.zyduslife.com/public/pdf/companypolicy/Whistle-Blower-Policy.pdf
18.	Nomination and Remuneration Policy https://www.zyduslife.com/public/pdf/companypolicy/Nomination-and-Remuneration-Policy.pdf
19.	Policy on Insider Trading https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-Insider-Trading.pdf
20.	Policy on Prevention of Sexual Harassment of Women at Workplace https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-Prevention-of-Sexual-Harassment-of-Women-at-Workplace.pdf
21.	Board Diversity Policy https://www.zyduslife.com/public/pdf/companypolicy/Board-Diversity-Policy.pdf
22.	Code of Conduct for Suppliers https://www.zyduslife.com/public/pdf/companypolicy/Zydus-Code-of-Conduct-for-Suppliers.pdf
23.	Zydus Business Conduct Policy https://www.zyduslife.com/public/pdf/Business-Conduct-Policy-2022.pdf

Sr. No.	Policy / Other details / Weblink
24.	Details of KMP authorized to determine materiality of an event or information and details of KMP authorized to disclose material event / information to the stock exchanges https://www.zyduslife.com/public/pdf/financial/Details%20of%20KMP%20authorized%20to%20determine%20materiality%20of%20an%20event.pdf
25.	ESG Policy https://www.zyduslife.com/public/pdf/companypolicy/Policy-for-Environment-Social-Governance-ESG.pdf
26.	Energy Policy https://www.zyduslife.com/public/pdf/companypolicy/Policy-for-Energy-Conservation-and-its-related-disclosures.pdf
27.	Tax Policy https://www.zyduslife.com/public/pdf/companypolicy/Tax-Policy-25.pdf
28.	Profile of Directors https://www.zyduslife.com/investor/#boardofdirector
29.	Memorandum of Association and Articles of Association https://zyduslife.com/public/pdf/MOA-and-AOA-Zydus.pdf

xviii. Evolution of equity share capital:

Details of evolution of equity share capital of the Company since incorporation are provided in below table:

Sr. No.	Date of Allotment	No. of Equity Shares	Remarks
1	15.05.1995	200	Subscribers to the Memorandum of Association and the Articles of Association (Face Value ₹ 10/- each)
2	11.06.1996	500	Further allotment (Face Value ₹ 10/- each)
3	01.09.1997	14,884,223	Issued pursuant to the Scheme of Arrangement and Amalgamation of erstwhile Cadila Group Companies to the members of Transferor Companies (Face Value ₹ 10/- each)
4	29.06.1998	7,442,553	Bonus Issue (2:1) (Face Value ₹ 10/- each)
5	17.08.1998	8	Issued from Bonus Fraction (Face Value ₹ 10/- each)
6	05.01.2000	44,655,368	Subdivision of equity share from Face Value of ₹ 10/- to ₹ 5/- each (Accordingly 22,327,684 equity shares of ₹ 10/- each got converted into 44,655,368 equity shares of ₹ 5/- each)
7	29.02.2000 & 16.03.2000	14,886,000	Initial Public Offer (Face Value ₹ 5/- each)
8	16.09.2003	3,265,486	Issue of equity shares to the members of German Remedies Limited under the Scheme of Amalgamation in the ratio of 4:7 (Face Value ₹ 5/- each)
9	05.09.2006	62,806,854	Bonus Issue (1:1) (Face Value ₹ 5/- each)
10	07.02.2009	10,885,305	Allotment of 100,885,305 equity shares with simultaneous cancellation of 90,000,000 equity shares, pursuant to the Scheme of Arrangement with Zydus Wellness Limited and Zydus Hospitals and Medical Research Private Limited. The corresponding effect is the addition of 10,885,305 equity shares. (Face Value ₹ 5/- each)
11	09.04.2010	68,249,507	Bonus Issue (2:1) (Face Value ₹ 5/- each)
12	08.10.2015	1,023,742,600	Subdivision of equity shares from Face Value of ₹ 5/- to ₹ 1/- each (Accordingly 204,748,520 equity shares of ₹ 5/- each got converted into 1,023,742,600 equity shares of ₹ 1/- each.)
13	19.07.2022	1,012,204,139	11,538,461 equity shares bought back.
14	15.03.2024	1,006,233,990	5,970,149 equity shares bought back.

If a member held 100 (one hundred) equity shares at the time of Initial Public Offer (**"IPO"**) in 2000 and continued to hold the same, the member would have 1,500 (one thousand five hundred) equity shares today due to bonus issues and stock split.

Further, upon the demerger of consumer products division of the Company into ZWL, the members of the Company, during January 2009, got additional shares of ZWL in the ratio of 15:4 i.e. for every 15 (fifteen) equity shares of the Company, 4 (four) equity shares of ZWL were allotted.

As at March 31, 2025, the market capitalization of the Company was ₹ 891,926 million (Rupees Eight Lac Ninety One Thousand Nine Hundred Twenty Six Million only).

xix. Compliance status of Corporate Governance requirements as prescribed in the Listing Regulations:

The compliance status of corporate governance requirements as prescribed under regulation 17 to 27 and 46(2)(b) to (i) of the Listing Regulations is provided in below table:

Regulation	Details of regulation	Complied (Yes / No)
17	Board of Directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders' / Investors' Relationship committee	Yes
21	Risk Management committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the listed company	Yes
24A	Secretarial Audit Report and Secretarial Compliance Report	Yes
25	Obligations of Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other corporate governance requirements	Yes
46(2)(b) to (i)	Website	Yes

xx. Corporate benefits to the members in the last 5 (five) years:

A. Dividend:

Year	Percentage (%)	In ₹ per share (Face value of ₹ 1/- each)	Dividend Amount (₹ in million including TDS)
2020-2021	350	3.50	3,583.09
2021-2022	250	2.50	2,530.51
2022-2023	600	6.00	6,073.22
2023-2024	300	3.00	3,018.70
2024-2025 *	1,100	11.00	11,068.57

* Subject to approval of members at the ensuing AGM.

B. Buyback:

Date of buyback	No. of Equity Shares bought back	Price of buyback per equity share (₹)	Buyback size (₹ in million)
July 14, 2022	11,538,461	650	7,500
March 24, 2024	5,970,149	1,005	6,000

10. Non-Mandatory requirements of regulation 27(1) and Part E of Schedule II of the Listing Regulations:

i. The Company has a Non-Executive Chairman and is entitled to maintain its office at the Company's expense and allowed reimbursement of expenses incurred in performance of duties.

ii. The quarterly / half yearly / yearly results are not sent to the members. However, the same is published in the newspapers and is also posted on the Company's website.

iii. The Company's financial statements for the Financial Year ended on March 31, 2025, do not contain any audit qualification.

iv. The internal auditors report to the Audit committee and they make quarterly presentations on their reports.

v. The auditors' report on the financial statements of the Company is with unmodified opinion.

vi. The Company approves the quarterly unaudited financial results and the audited financial results for the entire financial year.

Annexure-"A"

Managing Director (MD) and Chief Financial Officer (CFO) Certification

To
The Board of Directors,
Zydus Lifesciences Limited

As required under the regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**") read with Part B of Schedule II of the Listing Regulations, we hereby certify that:

(A) We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2025, and that to the best of our knowledge and belief;

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. 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 ended on March 31, 2025, which are fraudulent, illegal or in violation of the Company's code of conduct.

(C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.

(D) We have indicated to the auditors and the Audit committee:

1. significant changes in internal control over financial reporting during the year ended on March 31, 2025;
2. significant changes in accounting policies during the year ended on March 31, 2025, and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sharvil P. Patel
Managing Director
DIN: 00131995

Nitin D. Parekh
Chief Financial Officer

Place : Ahmedabad
Date : May 20, 2025

Annexure-"B"

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
Zydus Lifesciences Limited
(CIN: L24230GJ1995PLC025878)
Registered Office: 'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle,
Sarkhej-Gandhinagar Highway, Ahmedabad-382481

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of **Zydus Lifesciences Limited** ("the **Company**") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**").

In our opinion and to the best of our information and according to the verifications (including Director 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 on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or such other statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Pankaj Ramanbhai Patel	00131852	May 15, 1995
2.	Bhadresh Kantilal Shah	00058177	December 6, 2018
3.	Apurva Shishir Diwanji	00032072	May 13, 2016
4.	Shelina Pranav Parikh	00468199	May 17, 2024
5.	Akhil Monappa	09784366	November 29, 2022
6.	Upasana Kamineni Konidela	02781278	November 29, 2022
7.	Mukesh Mangalbhai Patel	00053892	August 1, 1997
8.	Sharvil Pankajbhai Patel	00131995	August 1, 1997
9.	Ganesh Narayan Nayak	00017481	July 12, 2017
10.	Nitin Raojibhai Desai (upto August 9, 2024)	00140239	May 5, 2011
11.	Dharmishta Narendraprasad Raval (upto August 9, 2024)	02792246	May 16, 2014

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 the same 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, **MANOJ HURKAT & ASSOCIATES**
Practicing Company Secretaries
FRN: P2011GJ025800
PR Certificate No.: 5985/2024

MANOJ R. HURKAT
Partner
FCS No.: 4287, C P No.: 2574
UDIN: F004287G000344264

Place : Ahmedabad
Date : May 20, 2025

Annexure-"C"

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of
Zydus Lifesciences Limited
(CIN: L24230GJ1995PLC025878)
Registered Office: "Zydus Corporate Park", Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle,
Sarkhej-Gandhinagar Highway, Ahmedabad-382481

We have examined all relevant records of **Zydus Lifesciences Limited** ("the **Company**") for the purpose of certifying compliance of the conditions of Corporate Governance as prescribed under The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**") for the Financial Year ended March 31, 2025. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Paragraphs C, D and E of Schedule V of the Listing Regulations, during the year ended on March 31, 2025.

This certificate 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, **MANOJ HURKAT & ASSOCIATES**
Practicing Company Secretaries
FRN: P2011GJ025800
PR Certificate No.: 5985/2024

MANOJ R. HURKAT
Partner
FCS No.: 4287, C P No.: 2574
UDIN: F004287G000344275

Place : Ahmedabad
Date : May 20, 2025

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24230GJ1995PLC025878
2	Name of the Listed Entity	Zydus Lifesciences Limited
3	Year of incorporation	1995
4	Registered office address	"Zydus Corporate Park", Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Ahmedabad-382481
5	Corporate address	"Zydus Corporate Park", Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Ahmedabad-382481
6	E-mail	dhavalsoni@zyduslife.com
7	Telephone	+917948040000, +917971800000
8	Website	www.zyduslife.com
9	Financial year for which reporting is being done	2024-25
10	Name of the Stock Exchange(s) where shares are listed	BSE and NSE
11	Paid-up Capital	₹ 1,006.23 Million
12	Name of the Person	Mr. Vishal J. Gor
	Telephone	+917948040235
	Email address	vishalgor@zyduslife.com
13	Type of Reporting	Consolidated Basis, unless stated otherwise in the report
14	Name of assurance provider	M/s Intertek India Private Limited
15	Type of assurance obtained	Reasonable assurance

II. PRODUCTS / SERVICES

16. Details of business activities

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Pharmaceuticals	Research and development, manufacturing, marketing, and distribution of pharmaceutical products, including active pharmaceutical ingredients (APIs) and finished dosage formulations	88.39
2	Consumer Wellness	Research and development, manufacturing, marketing and distribution of consumer health and wellness products	11.61

17. Products / Services sold by the entity:

Sl. No.	Product/Service	NIC Code	% of Total Turnover contributed
(i)	Formulation (including Biologics)	Group 210 Class 2100	85.57%
(ii)	APIs	Group 210 Class 2100	2.82%
(iii)	Sweetener	10729	11.61%
(iv)	Nutritional drink	10509	
(v)	Glucose powder	10623	
(vi)	Table spread	10504	
(vii)	Skincare products	20237	
(viii)	Total Revenues %		100%

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	No. of Offices	Total
National	36	*20	56
International	03	37	40

*Includes R&D Centre

19. Market served by the entity

		Locations	Numbers
a)	No. of Locations	National (No. of States)	Pan India
		International (No. of Countries)	81 countries
b)	What is the contribution of exports as a percentage of the total turnover of the entity?	58.10%*	
c)	A brief on types of customers	The company promotes products intended for patients and/or end users through a network of distributors and provides them to institutional clients, including private and government hospitals. The company exports its products to various international customers via its subsidiaries and other distributor partners. The company provides Active Pharmaceutical Ingredients (APIs) to other pharmaceutical companies for their use in formulations business (B2B). Additionally, the company engages in contract manufacturing for various pharmaceutical companies.	

*Exports from India

IV. EMPLOYEES

20. Details as at the end of Financial Year:

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

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees (including differently abled)					
	Employees					
1	Permanent Employees (A)	23283	21316	92%	1967	8%
2	Other than Permanent Employees (B)	47	35	74%	12	26%
3	**Total Employees (A+B)**	**23330**	**21351**	**92%**	**1979**	**8%**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Worker (including differently abled)					
	Workers					
4	Permanent Workers (E)	4634	4381	95%	253	5%
5	Other than Permanent Workers (F)	5533	4734	86%	799	14%
6	**Total Workers (E+F)**	**10167**	**9115**	**90%**	**1052**	**10%**

(b) Details as at the end of Financial Year – Differently-abled employees and workers

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1	Permanent Employees (A)	67	62	92%	5	7.46%
2	Other than Permanent Employees (B)	0	0	0%	0	0%
3	**Total Employees (A+B)**	**67**	**62**	**92%**	**5**	**7.46%**
	Workers					
4	Permanent Workers (E)	0	0	0%	0	0%
5	Other than Permanent Workers (F)	13	11	85%	2	15.3%
6	**Total Workers (E+F)**	**13**	**11**	**85%**	**2**	**15.3%**

21. Participation/Inclusion/Representation of women:

Sl. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	9	2	22%
2	Key Management Personnel	4	0	0%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2024-2025 (Turnover rate in current FY)			FY 2023-2024 (Turnover rate in previous FY)			FY 2022-2023 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.59%	19.93%	19.62%	20.11%	21.71%	20.30%	22.10%	23.51%	22.33%
Permanent Workers	25.22%	7.51%	24.26%	18.80%	14.21%	18.63%	25.62%	13.61%	23.90%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding / subsidiary / associate companies / joint ventures: The details of holding / subsidiary / associate / joint venture companies are given in Form No. AOC-1, on Page No. 443 of annual report.

Does the entity indicated in above form, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) Yes, all the entities, wherever applicable, participate in the relevant Business Responsibility initiatives of the company, except the associate companies and joint venture companies.

VI. CSR DETAILS

24. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

Turnover (in INR) 145,901,000,000*

Net worth (in INR) 211,901,000,000

*For standalone operation of Zydus Lifesciences Limited

Note: Provisions of CSR are applicable to Zydus Lifesciences Limited, Zydus Healthcare Limited, Zydus Wellness Limited, Zydus Animal Health and Investments Limited, German Remedies Pharmaceuticals Private Limited, Zydus Hospira Oncology Private Limited and Zydus Takeda Healthcare Private Limited

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for grievance redress policy	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	a. https://www.zyduslife.com/adverse_event_reporting/ b. https://www.zyduslife.com/public/pdf/companypolicy/Whistle-Blower-Policy.pdf c. https://www.zyduslife.com/public/pdf/companypolicy/Code-of-Business-Conduct-and-Ethics.pdf d. https://www.zyduslife.com/public/pdf/companypolicy/Human-Rights-Policy.pdf e. The internal policies are available at the intranet portal of the organization for its employees.	0	0		0	0	
Investors (other than shareholders)	Yes		0	0		0	0	
Shareholders	Yes		23	0		36	0	
Employees and workers	Yes		39	0		25	0	
Value Chain Partners	Yes		0	0		0	0	
Customers	Yes		1567	0		1206	0	
Other (please specify)			927	0		452	0	Complaints related to Packaging, Quality etc.

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

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.	Climate Change (GHG Emissions)	Risk	• Climate changes, especially the extreme weather events and rising global temperatures caused by Green House Gas (GHG) emissions and failure to adapt and mitigate such changes are among the major risks being faced world over and they also pose a major risk on the sustainability of businesses across the globe. • Climate adaptation and resilience are important in building a future-ready and sustainable organization. They can also help reduce operational costs and drive greater efficiencies for the business.	• Generation of solar power at manufacturing locations • Improving energy efficiency / operational efficiency of energy consuming equipment to reduce energy consumption • Increase in utilization of bio fuel / hybrid fuel to minimize the dependency on conventional fuel i.e. coal/ diesel etc. • Increase in procurement of solar- wind hybrid power	Negative
2.	Waste Management	Risk	• Inefficient management of waste is a risk to a business because of the hazard it could pose to the relevant stakeholders. • Generation of increasing waste also impacts the environment and its management becomes a challenge.	• Disposal of waste in a responsible manner • Complying with applicable regulations for waste generation and disposal • More emphasis on reduction of waste generation • Increase in waste disposal via eco-friendly pro processing and co-processing	Negative
3.	Water Management	Risk	• Water is a shared resource, making it important for businesses to use it responsibly. Ensuring responsible consumption is key to socially sustainable business practices. • Applicable regulations for reuse and recycle of treated water are stringent	• Adopting Zero Liquid Discharge (ZLD) approach to recycle, reuse water resources and reduce fresh intake of water. • Use of water efficient technologies • Implementing efforts to achieve water neutrality • Sensitizing internal and external stakeholders to reduce water consumption.	Negative

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)
4.	Corporate Governance and Ethics	Risk	• Zydus is a global life sciences company which engages with many stakeholders. • The Company strongly believes that breach of ethics or integrity can deteriorate the Company's goodwill, which will result in loss of reputation.	• Adopting a zero-tolerance policy for breach of ethics and integrity. • Adopting Code of Business Ethics and Conduct which is applicable to the Directors and employees of the Company. • The Code encourages honesty, trust, accountability and transparency. • Orientation on Code of Business Conduct and Ethics to all new joiners for adherence it in spirit and deed.	Negative
5.	Human Capital and Welfare	Opportunity	• Employee retention is critical to any organization because skill-based and knowledgeable human capital is an asset and is required to achieve the long-term sustainability and growth of the organization.		Positive
6.	Community Engagement	Opportunity	• Community engagement helps organization in making meaningful interventions to bring significant benefits to large sections of the society, which aids sustainable growth of the business.		Positive
7.	Anti-Bribery and Corruption	Risk	• Operations in multiple locations across the globe with diversified manpower may pose challenges with respect to resorting to corrupt practices leading to financial loss.	• Adopting a comprehensive Code of Business Ethics and Conduct policy which is applicable to the directors and employees of the Company. • Organization-wide awareness on anti-bribery and anti-corruption policy and consequences of its violation.	Negative

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)
8.	R&D and Innovation	Risk	• Access control, archival and retrieval of R&D data is absolutely critical since any leakage of such data can lead to substantial loss of future opportunities. • Tenure of scientific pool / knowledge transfer is critical especially when working on complex dosage forms / technologies.	• Digital storage of project specific information with clearly defined access control. • Management of issuance of lab notebook and their physical archival is managed and supervised by a dedicated documentation cell. • Implementation of Good Laboratory Practices (GLP) documentation wherever required. • Continued association of the leadership team -. Majority of the senior leadership team at technology centers are associated with Zydus for more than a decade	Negative
9.	Responsible Marketing, Selling Practices and Product Labelling	Risk	• Regulatory authorities have a Zero tolerance policy against unethical marketing / promotion activities and there are stringent regulations to be abided by in this regard. • Any non-compliance of such regulations can pose penal actions by such authorities and also loss of goodwill for the organization.	• Adopting policy for ethical marketing, advertising and sales practices. The policy covers/ contains the following: • Providing accurate and balanced information about the company's products and services to its customers • Provision to ensure ethical interactions with customers and healthcare professionals	Negative

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)
10.	Sustainable Supply Chain	Risk	• Supply chain partners, spread across various geographies of the globe, are responsible to ensure on-time delivery of desired quality of input materials, products, services and capital goods that are critical to the operations and are important for business continuity. • Any threat to sustainability of operations of supply chain partners could potentially disrupt the company's operations.	• Thorough evaluation process before onboarding any critical vendor, • Mandatory acceptance of Supplier code of conduct by the vendor. • Annual desk assessment of vendor based on ESG parameters • Creating multiple supplier base for critical products and services to maintain business continuity • Implementing a robust system to check all statutory compliances by the vendor • Ongoing efforts to create awareness among vendors regarding ESG parameters	Negative
11.	Product Quality and Safety	Risk	• Failure to maintain the quality standards and comply with regulations leads to regulatory actions which in turn, adversely impacts the business. • It results into suspension of supply of products and cessation of new product approvals from the concerned sites	• Establishing a robust quality management system which ensures the quality, safety and sustainable supply of products. • Implementation of Quality Risk Assessment Program to ensure regulatory and data integrity compliance. • Implementation of industry learning (regulatory learning) to avoid the recurrence of quality issues. • Review of processes / product performance, key quality indicators, risk assessment outcomes and audit findings on a regular basis in order to proactively address quality issues. • Automation in quality operations to ensure sustainable compliance and all-time audit readiness.	Negative

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)
12.	Employee health and safety	Risk as well as Opportunity	• Physical and mental health problems of the employees can have major socio-economic impact on the organization. • Also, employees are the core assets of the Company. Their safety and well-being enhance their productivity which aids in improvement of financial health of the Company.	• Zydus wellbeing covers a gamut of initiatives from annual health checkups to subsidized treatment for employees and their families at Zydus Hospitals • 24X7 medical assistance with ambulance services and emergency first aid is available at all manufacturing sites. • Offering medical insurance policy for on roll employees and workers. • Extending the medical insurance policy to parents of the employees. • Added sum assured through top-up can also be availed by employees. • Zydus Cares a special initiative for pregnant women helps them right through their pregnancy with a buddy being assigned to them for all assistance. • Zydus Clubs provides opportunities to employees to come together and delve in their passion and hobbies like poetry, singing, photography, sports and fitness, dancing etc. This helps them strike the right work life balance. • Zydus "Khel Ka Mahasangram" held through the year and helps employees participate in various sports including "Cyclothons". • All protocols relating to human rights, safety, health and hygiene are strictly adhered.	

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c.	Web Link of the Policies, if available	www.zyduslife.com Please refer link for policies : https://www.zyduslife.com/companypolicy								
2		Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3		Do the enlisted policies extend to your value chain partners? (Yes/No)	Supplier Code of Conduct extends to all value chain partners.								
4		Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	a) ISO 14001 and ISO 45001 for majority of the manufacturing locations (P3, P4: Health and Safety for all stakeholders working in factory, P6, P9: Environment and Product Labelling) b) ISO 27001:2013 for one of the major API Units (P9: IT Security) c) Europe GMP Certificate (P2: Good Manufacturing Practice) d) EU GDP Certificate (P2: Good Distribution Practices) e) GMP certificate from State FDA f) FSSC certification to major manufacturing facilities of consumer wellness business g) Participant to the S&P Global Corporate Sustainability Assessment ("CSA") from last 03 years h) P1-P9: UN SDGs, GRI i) P6: CDP and TCFD j) P1,P2,P3,P7,P8,P9: SASB								

*UN SDGs: United Nations Sustainable Development Goals

*GRI: Global Reporting Initiative; *CDP: Carbon Disclosure Project

*TCFD: Task Force on Climate-related Financial Disclosures; *SASB: Sustainability Accounting Standards Board

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Following are the sustainability commitments of the company for standalone operations: (a) Gender diversity of 12% by FY2028 (b) Carbon neutrality in operations (scope 1 and 2 emissions) by FY2035 (c) Net Water Neutrality by FY2028 (d) Waste disposal via coprocessing up 40% for the India operations by FY2026 (e) 45% reduction in GHG Intensity reduction by FY2030 with baseline of FY21-22 aligned with Intended National Determined Contributions (INDC) by Govt. of India								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance against goals in FY 2025 for standalone operations are as follows: (a) Gender Diversity of 6% in FY2025 (b) 39% renewable energy in total energy mix (c) 21% reduction specific water consumption (d) 35% waste disposal via co processing (e) ~130% % reduction in GHG Intensity achieved w.r.t the baseline								
Governance, Leadership and Oversight										
7	Statement by director responsible for the business responsibility report	Please refer Chairman message from the company's Integrated Annual Report FY2025 highlighting ESG Challenges, Targets and Achievements								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Chairman								
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, CSR and ESG Committee								

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	The policies of the Company are reviewed periodically / on a need basis by department heads / directors /Board Committees / Board members, wherever applicable.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		

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	No	No	No	No	Yes**	No	Yes*	No

* Name of agency: SoulAce Consulting Private Limited

The agency conducted impact assessment of Zydus' various CSR Programmes.

**EHS policy is audited by external agency during ISO14001:2018 annual surveillance and certification audit.

12. If all Principles are not covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done in the next financial year (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A.: Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	02	a) Board Familiarization Programme b) Training module on all principles of BRSR and overview of Sustainable Development Goals (SDG)	100%
Key Management Personnel	01	All principles of BRSR	100%
Employees other than BODs and KMPs	247	All principles of BRSR and overview of Sustainable Development Goals (SDG), Human Rights, Safety, Health and Hygiene, Environment	100%
Workers	431	Human Rights, Safety, Health and Hygiene Environment, Skill Development	100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.**

Type		NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
a.	**Monetary**					
	Penalty/ Fine			Nil		
	Settlement					
	Compounding fee					
b.	**Non-Monetary**					
				Nil		

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*

*Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the company has established an anti-bribery and anti-corruption policy in accordance with Zydus' Code of Business Conduct and Ethics (COBE), as well as other rules and regulations related to anti-bribery and anti-corruption that govern the Company. The policy emphasizes that the company has zero tolerance towards any form of bribery and corruption and upholds the highest standards of integrity and transparency in all its operations and routine business practices. The policy forms an integral component of the Business Conduct Policy and applies to all members of the Board of Directors as well

as to all full-time and part-time employees of the company, including its subsidiaries and affiliates. Additionally, all business partners are expected to adhere to the same ethical standards when engaging in business with the company or on its behalf. Please refer to https://www.zyduslife.com/public/pdf/Business-Conduct-Policy-2022.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:**

Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees other than BoD and KMPs	Nil	
Workers		

6. **Details of complaints with regard to conflict of interest:**

Topic	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil			
Number of complaints received in relation to issues of Conflict of Interest of KMPs				

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.**

None

8. **Number of days of accounts payables [(Accounts payable*365) / Cost of goods/services procured] as provided in the following format:**

	FY 2024-2025	FY 2023-2024
Number of days of accounts payables	66.45	69.89

9. **Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties in the format provided:**

Parameter	Metrics		FY 2024-2025	FY 2023-2024
Concentration of Purchases*	a.	Purchases from trading houses as % of total purchases	22.32%	20.80%
	b.	Number of trading houses where purchases are made from	3300+	2500+
	c.	Purchases from top ten trading houses as % of total purchases from trading houses	36.81%	58.15%
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	88.30%	91.50%
	b.	Number of dealers / distributors to whom sales are made	15000+	13000+
	c.	Sales to top ten dealers / distributors as % of total sales to dealers / distributors	40.91%	38.96%
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	1.25%	1.02%
	b.	Sales (Sales to related parties / Total Sales)	0.05%	0.11%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.00%	0.00%
	d.	Investments (Investments in related parties / Total Investments made)	0.00%	10.33%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in value chain covered by the awareness programmes
15	The company encourages and conducts training and awareness sessions for its supply chain partners, covering a range of essential topics such as anti-bribery, unfair trade practices, anti- discrimination, fair treatment, anti-competition, data privacy and protection, worker health and safety protection, resource conservation and climate protection ,as well as waste and emissions management. These are an integral part of Zydus's Supplier Code of Conduct.	39*

*The value chain partners comprise of vendors/suppliers providing raw materials, APIs, intermediates, excipients, packaging materials and indirect materials to the company.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

Yes, as part of its governance framework, the company adheres to the best practices for reviewing conflicts of interest among its directors. The disclosures provide by the directors are reviewed by the Board along with any potential conflicts. The Board collectively holds responsibility for all business decisions, in which any director has an interest. The Board excludes directors with a conflict of interest from participating in decision-making processes related to the concerned business transactions. Additionally, the directors and senior management members provide annual affirmations regarding conflicts of interest. The Code of Business Conduct and Ethics, which applies to the directors and senior management can be found on the company's website.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2024-25	FY2023-24	Details of improvement in social and environmental aspects
Research & Development (R&D)	100%	100%	Investments in specific technologies to improve the environmental and social impacts of products and processes
Capital Expenditure (CAPEX)	5%	3%	

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

Yes, the company ensures that suppliers are assessed based on sustainability metrics. . Prior to onboarding any vendor (supplying APIs, intermediates, excipients, packaging materials, raw materials and indirect materials), they are evaluated against ESG parameters, which encompasses aspects such as business ethics, environmental practices, and human rights.

b. **If yes, what percentage of inputs were sourced sustainably?**

39%* of inputs were sourced sustainably from vendors and suppliers who have established ESG practices.

*The value chain partners comprise of vendors/suppliers providing raw materials, APIs, intermediates, excipients, packaging materials and indirect materials to the company.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Product	Process to safely reclaim the product
Packaging	• As per the requirements of The Plastic Waste Management Rules 2016, the company is registered as a Brand Owner in the Extended Producer Responsibility (EPR) portal by the regulatory authorities. • Equivalent quantity of plastic material that has gone in to the domestic market (within India) is collected through authorized waste management agency for recycling and energy recovery under EPR.
E-waste	E – Waste is sent to authorized vendors/recyclers.
Hazardous Waste	Hazardous waste is sent to authorized pre – processor, co–processor, recycler, secured landfill and incinerator site for safe disposal.
Other Waste	• Non-hazardous waste is sent to registered vendors for disposal. • Bio-medical waste is sent to common bio-medical waste incineration facility authorized by the regulators for safe disposal.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**
   - Yes, Extended Producer Responsibility (EPR) is applicable to the Company's activities.
   - The plastic waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to the Central Pollution Control Board.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.**

   Please refer Life cycle Assessment disclosure in the Integrated Annual Report on Page No.:

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

S. No.	Name of the product	Description of the risk	Action Taken
Not Applicable			

3. **Percentage of recycled or reused material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   The company, operating in the pharmaceuticals and healthcare sector, places utmost importance on the safety and quality of the products, as they directly impact the health of consumers. Therefore, the company refrains from reusing any materials or chemicals in its manufacturing process. The Company adheres to EPR regulations by implementing plastic take-back and recycling initiatives.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

   (a) Reclaimed end of life products are collected at central authorized collection site and sent to co–processing for energy recovery.

(b) Plastic packaging material is covered under EPR of Plastic Waste Management Rules

	FY2024-25			FY2023-24		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging) – EPR collections (MT)	---	9316.53	---	---	8581.75	98.9 (Energy Recovery)
E-waste (MT)	---	---	---	---	---	---
Hazardous waste (MT)	---	---	335 (Co-processing)	---	---	311 (Co-processing)
Other waste (MT)	---	---	---	---	---	---

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Considering the nature of its business, in pharmaceuticals and consumer wellness, the company does not reclaim products for reuse or recycling. However, it ensures the safe disposal of products at the end of their lifecycle. The plastic packaging materials are covered under the EPR of the Plastic Waste Management Rules.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS ESSENTIAL INDICATORS

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	21316	21316	100%	21316	100%	0	0	21316	100%	0	0
Female	1967	1967	100%	1967	100%	1967	100%	0	0	1967	100%
Total	**23283**	**23283**	**100%**	**23283**	**100%**	**1967**	**8%**	**21316**	**92%**	**1967**	**8%**
Other than Permanent Employees											
Male	35	0	0%	0	0%	0	0%	0	0%	0	0%
Female	12	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**47**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

1. b. Details of measures for the well-being of workers:

Category	Total (A)	% Of Workers Covered By									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	4381	4381	100%	4381	100%	0	0	4381	100%	0	NA
Female	253	253	100%	253	100%	253	100%	0	NA	253	100%
Total	**4634**	**4634**	**100%**	**4634**	**100%**	**253**	**5%**	**4381**	**100%**	**253**	**5%**
Other than Permanent Workers											
Male	4734	0	0%	0	0%	0	0%	0	0%	0	0%
Female	799	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**5533**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

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

	FY 2024-2025	FY 2023-2024
*Cost incurred on wellbeing measures as a % of total revenue of the company	0.38%	0.44%

* Permanent Employees - India Operations

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

Sl. No.	Benefits	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	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 worker	Deducted and deposited with the authority (Y/N/N.A.)
1	Provident Fund	100%	100%	Y	100%	100%	Y
2	Gratuity	100%	100%	Y	100%	100%	Y
3	ESI	3.30%	53%	Y	4%	45%	Y
	Others- please specify						
4	NPS	3.00%	NA	Y	NA	NA	NA
5	Superannuation	0.16%	NA	Y	NA	NA	NA
6	Social Security	100%	100%	Y	100%	100%	Y

The company also provides additional social security benefits i.e. National Pension Scheme, Superannuation to the consumer wellness and applicable foreign business locations.

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 company's premises and offices are equipped with ramps to facilitate easy access for differently abled employees and workers. The offices are situated either on the ground floor or feature elevators and amenities designed for people with disabilities. Additionally, the company provides various facilities to create a more comfortable and supportive working environment for persons with disabilities.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the company is an equal opportunity employer. The company ensures that all job applicants are treated fairly and does not support any form of discrimination. The company adheres to all relevant employment laws and does not treat individuals unfairly based on their race, colour, gender, age, nationality , religion, sexual orientation, gender identity or expression, marital status or disability. To strengthen its commitment to enhancing employment opportunities for people with disabilities, the company has identified and designated specific roles/tasks exclusively for certain categories of differently abled employees. Please refer to the following link: **Pharmaceutical Careers Opportunities | Pharma jobs at Zydus Group (zyduslife.com)**

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	86%	86%	100%	100%
Total	**99%**	**99%**	**100%**	**100%**

*No instance of availment of parental leave

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	Details of the mechanism in brief
Permanent Workers	Yes	**Following mechanisms are in place to receive and address grievances of employees and workers:** A) The company has an internal employee support and helpdesk system called Zydus Connect 2.0 with following features: I. Through this helpdesk, employee can raise their queries which are responded to within the defined timeline. II. Employee can reach out to Group HR Head (CHRO) through this system and raise concerns and queries directly to him and concerned head of the business vertical. III. It has mechanism for collecting feedback from employees on various matters. B) The company has a whistleblower policy, approved by the board of directors, allowing employees to report any concerns regarding unethical conduct , actual or suspected fraud, or violation of the company's code of conduct or ethics policy to management. It ensures adequate safeguards against any form of victimization of employees who avail the mechanism and provides direct access to the Chairman of the Audit Committee in exceptional circumstances. For more details on the mechanism, kindly refer following link : https://www.zyduslife.com/public/pdf/companypolicy/Whistle-Blower-Policy.pdf
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

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

Category	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	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	**23283**	**0**	**0%**	**21649**	**8**	**0.04%**
- Male	21316	0	0%	19840	5	0.03%
- Female	1967	0	0%	1809	3	0.17%
Total Permanent Workers	**4634**	**1073**	**23%**	**5272**	**700**	**13%**
- Male	4381	1073	24%	5046	664	13%
- Female	253	0	0%	226	36	16%

8. Details of training given to employees and workers:

Category	FY 2024-2025 Current Financial Year					FY 2023-2024 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	21316	8476	40%	8861	42%	19840	7639	39%	5004	25%
Female	1967	1700	86%	1320	67%	1809	1560	86%	1809	100%
Total	**23283**	**10176**	**44%**	**10181**	**44%**	**21649**	**9199**	**42%**	**6813**	**31%**
Workers										
Male	4381	1849	42%	1772	40%	5046	1888	37%	3047	60%
Female	253	132	52%	89	35%	226	226	100%	82	36%
Total	**4634**	**1981**	**43%**	**1861**	**40%**	**5272**	**2114**	**40%**	**3129**	**59%**

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

Category	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	%(B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	21316	21316	100%	19840	19840	100%
Female	1967	1967	100%	1809	1809	100%
Total	**23283**	**23283**	**100%**	**21649**	**21649**	**100%**
Permanent Workers						
Male	4381	4381	100%	5046	5046	100%
Female	253	253	100%	226	226	100%
Total	**4634**	**4634**	**100%**	**5272**	**5272**	**100%**

10. Health and safety management system:

a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes, occupational health and safety management system has been implemented by the company.
a.1	What is the coverage of such system?	The coverage of such systems is 100% across the company
b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Processes like PSSR (Pre-Start-up Safety Review), HAZOP (Hazard operating procedures) HIRA (Hazard Identification Risk Assessment), Risk Assessment, Third Party Safety Audit, Safe Work Permit System are in place to identify the work-related hazards and risks related to routine and non-routine activities.
c.	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes, the workers are part of safety committee meeting as per statute, where workers report the work-related hazards and mitigation measures are discussed and implemented.
d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, the company has necessary arrangements to meet non-occupational medical requirements for employees and workers (e.g. onsite doctor / Occupational Health Centre (OHC) clinic to attend to all medical queries). Also, a medical insurance policy is provided to all permanent employees and workers.

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

Safety Incident/Number	Category	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.07	0.02
	Workers	0.35	0
Total recordable work-related injuries	Employees	4	1
	Workers	4	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

In response to the rise in safety incidents, the company conducted independent investigations to identify systematic root causes and implemented appropriate engineering controls across all sites. Risk assessments were reviewed and updated based on investigation outcomes, while a comprehensive electrical safety assessment was carried out in response to incident trends. To address human error, a company-wide Behaviour-Based Safety (BBS) program was launched to strengthen safety culture and proactive risk mitigation. These actions reflect the company's commitment to robust corrective measures and continuous improvement in safety performance

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

- The company has an EHS Policy displayed at important locations, and training has been conducted for all stakeholders on the EHS policy.
- Adoption and adherence to ISO 45001 (Occupational Health and Safety Management System) requirements.
- Safety Infrastructure, like fire hydrant systems, fire extinguishers, fire alarm systems, and other fire suppression systems, is in place.
- The company has deployed engineering controls and mitigation measures like sensor-based machine interlocks, guards for moving parts of machines based on hazard identification and risk assessment of activities at workplaces.
- Regular training is provided to employees and workers for performing various activities in a safe manner, and applicable personal protective equipment (PPE) is made available to employees and workers.
- Workplace monitoring is conducted to ensure maintenance of a safe working environment at the workplace as per statutory requirements.
- Pre-employment and periodical medical examinations of employees and workers are conducted as per the statute.

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

Topic	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	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	0	0	0	0	0	---
Health & Safety	0	0	0	0	0	---

14. Assessments for the year:

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

* India operations

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.**

The company has implemented corrective actions to address significant risks/concerns arising from assessments of health and safety practices and working conditions like:

(a) Installation of safety interlocks to the machines, motion sensors, and interlocks for moving equipment like blenders, compressor machines, and packing machines.

(b) Training on safe working practices provided to all shop floor employees.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

c. Employees (Yes/No): Yes

d. Workers (Yes/No): Yes

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 ensures that vendors provide acknowledgements under the Supplier Code of Conduct, confirming their commitment to comply with all applicable laws and regulations.

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:**

Category	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	
	Current FY 25	Previous FY 24	Current FY 25	Previous FY 24
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).**

Yes, the company provides counselling to employees approaching retirement regarding financial planning and has a retention policy for selected roles and positions.

5. **Details on assessment of value chain partners:**

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	39%*
Working Conditions	39%*

*The value chain partners comprise of vendors/suppliers providing raw materials API excipients, packaging materials, Indirect materials and Intermediate solvent to the company.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No significant risks/concerns were observed from assessments of health and safety practices at the workplaces of value chain partners.

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 identifies stakeholders through a structured process involving interactions across various management levels, benchmarking against competitors and interactions with external stakeholders. This process was an integral part of the materiality assessment carried out , in alignment with global reporting standards such as the Global Reporting Initiative (GRI) and the National Guidelines for Responsible Business Conduct (NGRBC).

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 (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Patients	No	• Website • Clinical studies • Pharmacovigilance	Need Basis	The company interacts with patients to understand their expectations and experience with the products. Also, the company engages with patients to conduct tests for clinical studies of pharmaceutical products.
Channel Partners	No	• Meetings • Field visits • Digital Communication	Need Basis	Channel partners play a vital role in business continuity by ensuring product accessibility across different geographies. The company interacts with them to formulate and strategize distribution of products and monitor the operations on a regular basis.
Suppliers	No	• Meetings • Supplier audit • Facility visits	Need Basis	The company regularly communicates with the suppliers to ensure quality, safety and timely availability of input materials and other critical services to ensure continuity of business operations. The company conducts regular audit of the suppliers of critical materials and services to ensure that suppliers abide by the supplier code of conduct.
Healthcare Professionals	No	• Meetings • Field visits	Need Basis	Healthcare professionals serve as key opinion leaders and provide important feedback to enable the company in understanding the market outlook, patients' feedback, their requirements and expectations from the. This also includes any adverse or negative feedback which can be detrimental to the patient health.
Government and Regulators	No	• Meetings • Conferences • Facility visits by Government / Regulatory officials • Official Communications • Statutory Publications	Need Basis	The company is a responsible law-abiding organization and ensures 100% compliance to all applicable regulations. With increased focus on issues pertaining to Environment, Social and Governance, the company regularly communicates with government representatives and regulatory bodies to have latest understanding of regulations which can impact the operations and stakeholders of the company.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Industry Associations	No	• Industry Conferences • Representations on policy matters	Need Basis	The company interacts with Government / Regulatory Authorities on any public policy framework through apex industry institutions like Indian Pharmaceutical Alliance, Federation of Indian Chambers of Commerce & Industry (FICCI), The Indian Drug Manufacturers Association, Pharmexcil and Gujarat Chamber of Commerce & Industry (GCCI) etc. The company puts forth its views on new standards or regulatory developments pertaining to the pharmaceutical and healthcare manufacturing industry, broadly in the areas concerning access to medicines and other products, best practices, corporate governance, CSR etc.
Shareholders and Investors	No	• Meetings • Investor Conferences • AGM • Website	Quarterly/ need basis	The company interacts with its shareholders and investors to share regular update on its strategies, financial and operational performance, significant events and achievements, key risks and challenges and future roadmap for growth. With increased focus on ESG parameters, the company intends to include more parameters pertaining to ESG indicators during its interaction with investors.
Employees	No	Employee Engagement Survey, Emails, Calls, Grievance mechanism One-to-one connect	Need Basis	The company interacts with its employees to share performance and career development reviews and takes inputs and feedback from employees to create a healthy working environment. The company has an intranet portal for employees wherein all data pertaining to employment can be accessed and employees can also raise their queries and concerns for further action.
Communities	Yes	Visit to community sites, digital channels	Regularly	The company engages with the community by understanding and serving needs of the communities. Through its Section 8 wholly owned subsidiary company in the name of Zydus Foundation, the company has brought world-class medical education to the rural interiors of Gujarat by constructing and setting-up best in class medical college and hospital at Dahod. The company provides to all patients free of cost, consultation and treatment, including OPD, indoors, all investigations, surgeries, anesthesia, oral medicines, injectables and food. Along with this, the company engages with the community to sensitize them on various health issues by conducting various awareness camps.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers	No	Digital Platforms, Advertisements, Newspaper, Consumer feedback division to address queries and grievances, Website.	Continuous	Product quality and safety, information on products, consumer satisfaction and feedback, complaints and queries.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The company maintains multiple channels for discussion and feedback with its internal stakeholders before implementing any significant decisions that may impact them. Additionally, it actively engages with concerned stakeholders to assess the economic, environmental and social impacts of its operations on them and gathers their feedback and suggestions. Such feedback and suggestions are taken up for due consideration and action.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the company has conducted an exercise to create a materiality matrix to identify material issues with respect to environment, social and governance aspects, which involved engagement with stakeholders. As a result of this exercise, the following topics were identified as having high importance, both for the company and for stakeholders:

   - Climate Change (Greenhouse Gas Emission)
   - Waste Management
   - Product Quality & Safety
   - Human Capital Welfare and Development
   - Access to healthcare
   - Responsible Marketing, Selling Practices & Product Labelling
   - Corporate Governance
   - R&D and Innovation

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   As part of its CSR initiatives, the company actively engages with vulnerable and marginalized communities, striving to build healthier and happier societies globally. Zydus Srishti, the company's CSR programme, centers around key focus areas, including access to healthcare, quality education, skill development, research and promoting a sustainable environment.

   For further details please refer to Page No. 185 of the Integrated Annual Report FY2024-25.

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, in the following format:**

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)**	% (D/C)**
Employees						
Permanent	23283	5011	22%	21649	4094	19%
Other than permanent	47	43	91%	73	44	60%
Total Employees	**23330**	**5054**	**22%**	**21722**	**4138**	**19%**
Workers						
Permanent	4634	1450	31%	5272	1284	24%
Other than permanent	5533	5003	90%	2481	2317	93%
Total Workers	**10167**	**6453**	**63%**	**7753**	**3601**	**46%**

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

Category	FY 2024-2025 Current Financial Year					FY 2023-2024 Previous Financial Year				
	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	23283	0	0%	23283	100%	21649	0	0%	21649	100%
Male	21316	0	0%	21316	100%	19840	0	0%	19840	100%
Female	1967	0	0%	1967	100%	1809	0	0%	1809	100%
Other than Permanent	47	0	0%	47	100%	73	0	0%	73	100%
Male	35	0	0%	35	100%	52	0	0%	52	100%
Female	12	0	0%	12	100%	21	0	0%	21	100%
Permanent	4634	0	0%	4634	100%	5272	0	0%	5272	100%
Male	4381	0	0%	4381	100%	5046	0	0%	5046	100%
Female	253	0	0%	253	100%	226	0	0%	226	100%
Other than Permanent	5533	0	0%	5533	100%	2481	0	0%	2481	100%
Male	4734	0	0%	4734	100%	2317	0	0%	2371	100%
Female	799	0	0%	799	100%	164	0	0%	164	100%

3. a. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number*	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration / salary / wages of respective category (₹)
Board of Directors (BoD)	7	33,00,000/-	2	33,00,000/-
Key Managerial Personnel	4	7,86,60,153/-	0	
Employees other than BoD and KMP (Permanent Employees)	24805	5,65,112/-	1502	5,96,874/-
Other than Permanent Employees				
Workers	228	9,37,738/-	35	10,01,149/-

*India operations only

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

	FY 2024-2025	FY 2023-2024
*Gross wages paid to females as % of total wages	5.45%	5.23%

* India Operations

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

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

The company believes that business can develop in a society where human rights are protected and respected. Committed to this principle, the company ensures that human rights are upheld across all business activities and provides development opportunities as well as positive feedback to employees, thereby encouraging them to realize their full potential. The company endeavors to provide fair compensation and favorable working conditions; maintain high ethical standards in interactions with its employees, and ensure adherence to applicable legal and regulatory standards. To prevent human rights violations and resolve grievances effectively, the company has established multiple mechanisms. Employees can raise their concerns directly with the Group HR Head through Zydus Connect 2.0. Additionally, the company has a comprehensive Human Rights Policy and a Whistleblower Policy, both accessible on the company's website. The contact details of the POSH (Prevention of Sexual Harassment) contact point are prominently displayed across all workplaces. The details of human rights and whistleblower policy can be found from following link: https://www.zyduslife.com/companypolicy

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

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	8	0		2	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

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

Safety Incident/Number	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	08	02
Complaints on POSH as a % of female employees/ workers	0.26	0.09
Complaints on POSH upheld	08	02

At Zydus Lifesciences, we are committed to creating a safe and respectful workplace by embedding the principles of the POSH Act into our culture. Over the past year, we enhanced our POSH framework through extensive awareness sessions for over 4,000 employees, a Train-the-Trainer program to build internal champions, and capacity-building for Internal Committee members. As a result, POSH case reporting increased from 2 to 8—an encouraging sign of greater awareness and trust in our systems. To sustain this momentum, we are launching refresher trainings, installing awareness materials across locations, Skip-level meetings,open houses by senior HR and leadership teams and establishing a task force of POSH Champions. These proactive measures aim to drive early reporting, prevent escalation, and reinforce our zero-tolerance stance on harassment. Zydus remains fully committed to upholding the spirit of the POSH Act—not just as a compliance mandate but as an enabler

of a safe, respectful, and inclusive culture We are confident that with these measures, the reporting trend will stabilise over time while our culture of trust and openness will continue to strengthen. We stand by our principle: awareness and action today will ensure fewer incidents tomorrow.

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

The company is committed to maintaining a harassment-free workplace, including sexual harassment, and upholds zero tolerance toward such unacceptable conduct. It actively encourages employees to report any harassment concerns and ensures prompt action on complaints related to harassment or any unwelcome behavior. Dedicated committees are established at various locations to inquire into complaints of sexual harassment and recommend appropriate actions wherever necessary. The company ensures that employees who raise concerns about sexual harassment are protected from reprisal. Any reprisal will be subject to disciplinary action. It also ensures that victims or witnesses are not subjected to discrimination or mistreatment during the complaint resolution process. The company has a mechanism in place to conduct mandatory POSH training for employees, with clear consequences outlined within a well-defined governance structure. Additionally, a copy of the POSH policy is provided to and signed off by all employees.

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 labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	

I. The company has a strong and structured vigil mechanism in line with various governing policies and procedures.

II. The company, being a responsible law-abiding organization, ensures 100% compliance to all applicable laws and regulations.

III. The company conducts internal audit/visit to various sites to ensure 100% adherence to laws pertaining to child labor, forced / involuntary labor, sexual harassment, discrimination at workplace and minimum wages.

IV. Also, the company ensures zero tolerance to violation of any of the aforesaid issues.

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No significant concerns were identified.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

All the human rights complaints are taken seriously and handled confidentially. During FY2024-25 no complaint regarding human rights was reported.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

We are striving to identify adverse human rights risks in all our operations and value chains to prioritise the impact of our business on stakeholders, like our employees, women, children, workers, third-party employees and local community members. Our efforts encompass defining a company-wide due diligence process for identifying risks in our own operations, labor standards, health and safety and environmental practices, as well as corporate ethics. As part of the broader processes of internal checks and balances, we have started a periodic and systematic review of our potential human rights risks to prevent any major or critical issues from becoming a real threat to the organization in the future. This periodic due diligence is being conducted by a cross-functional team members on aspects like Forced Labor, Child Labor, Human Trafficking, discrimination, freedom of association, safe working conditions, fair wages etc. Moreover, even the supply chain partners are required to share signed documents with Zydus as proof of compliance with the aforementioned Human Rights Due Diligence parameters. We also focus on our stakeholders by ensuring their rights and well-being are protected throughout our operations and value chain partners.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	39%*
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

* The value chain partners comprise of vendors/suppliers providing raw materials APIs, intermediates, excipients, packaging materials and indirect materials to the company.

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

   No such corrective actions have been identified pursuant to assessment of value chain partners.

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, in the following format:**

Parameter (In Gigajoules)	FY 2024-2025	FY 2023-2024
From renewable sources		
Total electricity consumption (A)	3,06,938.64	1,56,913.54
Total fuel consumption (B)	11,02,802.79	10,53,857.36
Energy consumption through other sources (C)	---	---
Total energy consumption (A+B+C)	**14,09,741.43**	**12,10,770.90**
From non-renewable sources		
Total electricity consumption (D)	9,62,567.53	9,19,313.04
Total fuel consumption (E)	7,97,843.27	7,53,280.52
Energy consumption through other sources (F)		---
Total energy consumed from non-renewable resources (D+E+F)	17,60,410.80	16,72,593.56
Total energy consumed (A+B+C+D+E+F)	**31,70,152.24**	**28,83,364.46**
Energy intensity per rupee of turnover (Total energy consumption/revenue in million rupees)	13.64	14.75
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations in million adjusted for PPP)	*281.80	**301.36
Energy intensity in terms of physical output (GJ/MT)	31.97	34.33
Energy intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.

Calculation tool used: US Energy Information Administration (EPA).

*PPP FY24-25: 20.66INR/INT.US$; https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND

**PPP FY23-24: PPP@20.43INR/INT.US$; https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) : Yes
If yes, name of the external agency.: M/s Intertek India Private Limited

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not Applicable

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	5,28,792.40	5,49,628.53
(ii) Groundwater	10,92,465.55	9,42,713.88
(iii) Third party water	7,76,624.71	5,72,073.88
(iv) Seawater / desalinated water	-	-
(v) Tanker Water	89,724.90	2,64,506.30
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**24,87,607.56**	**23,28,922.59**
Total volume of water consumption (in kilolitres)	**24,87,607.56**	**23,28,922.59**
Water intensity per rupee of turnover (Water consumed / turnover) (kl per revenue in million rupees)	10.70	11.91
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations in million adjusted for PPP)	*221.13	**243.41
Water intensity in terms of physical output (KL/ MT)	25.09	27.73
Water intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.

*PPP FY24-25: 20.66INR/INT.US$; https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND

**PPP FY23-24: PPP@20.43INR/INT.US$; https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) : Yes, If yes, name of the external agency.: M/s Intertek India Private Limited

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	---	---
- No treatment	---	---
- With treatment – please specify level of Treatment	---	---
(ii) To Groundwater	---	---
- No treatment	---	---
- With treatment – please specify level of Treatment	---	---
(iii) To Seawater	---	---
- No treatment	---	---
- With treatment – please specify level of Treatment	---	---
(iv) Sent to third-parties	---	---
- No treatment	---	---
- With treatment – please specify level of Treatment	Primary Treatment: 2,64,555 Tertiary Treatment: 2,07,088	Primary Treatment: 3,20,011 Tertiary Treatment: 1,50,392
(v) Others	Reuse in utility and gardening	Reuse in utility and gardening
- No treatment	---	---
- With treatment – please specify level of Treatment	Tertiary Treatment: 9,54,348	Tertiary Treatment: 8,09,324
Total water discharged (in kilolitres)	**14,25,991**	**12,79,727**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) : Yes, If yes, name of the external agency.: M/s Intertek India Private Limited

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

The company has taken proactive measures to implement Zero Liquid Discharge ("ZLD") across its operations. The manufacturing units are equipped with reverse osmosis(RO) and ultra-filtration (UF) systems, which fall into this category. In addition to primary and secondary treatment, the tertiary Effluent Treatment Plant (ETP) provides further purification of the wastewater generated within the company's premises. The treated water is utilized for non-process purposes such as horticulture, road cleaning, toilet flushing, and green belt development, thereby reducing overall water consumption.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Nox	MT	29.36	29.05
Sox	MT	46.43	47.15
Particulate matter (PM)	MT	44.19	42.46
Persistent organic pollutants (POP)	NA	---	---
Volatile organic compounds (VOC)	NA	---	---
Hazardous air pollutants (HAP) HCL (Ammonia)	---	---	---
Others – please specify	---	---	---

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, in the following format:**

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	56,459.38	65,458.74
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	2,05,171.57	1,92,010.23
Total Scope 1 and Scope 2 Emissions	tCO_2e	**2,61,630.95**	**2,57,468.97**
Total Scope 1 and Scope 2 emissions (tCO_2e/ revenue in million rupees)	tCO_2e/million ₹ revenue	1.13	1.32
Total Scope 1 and Scope 2 emission intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		*23.26	**26.91
Total Scope 1 and Scope 2 emission intensity in terms of physical output (tCO_2e/ MT)		2.64	3.07
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	tCO_2e/₹	N.A.	N.A.

Calculation tools used are United State Environmental Protection Agency (EPA) and Central Electrical Authority (CEA), Govt. of India.

*PPP reference value for FY24-25: PPP@20.66INR/INT.US$, PPP reference link for FY24-25: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND

**PPP reference value for FY23-24: PPP@20.43INR/INT.US$, PPP reference link for FY23-24: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N): Yes, If yes, name of the external agency.: M/s Intertek India Private Limited

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

Sl. No.	Encon Measure	Electrical Energy Savings (MWh)	Fuel Savings (MT)	GHG Reduction (tCO2e)
1.	Reduction in GHG emissions by purchase of renewable energy	83,388		60,873
2.	Reduction in GHG emissions by generation of onsite solar energy	697		508
3.	Reduction in energy consumption by process improvement/modification	829	128	1,048
4.	Reduction in energy consumption by new technology adoption	941	--	687
	Total	**85,855**	**128**	**63,116**

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	3,133.17	2,854 .98
E-waste **(B)**	49.08	32 .35
Bio-medical waste **(C)**	455.29	487 .27
Construction and demolition waste **(D)**	45.00	-
Battery waste **(E)**	23.16	22 .68
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any. **(G)**	18,714.09	17,084 .93
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	9,685.44	8,120 .55
Total (A + B + C + D + E + F + G + H)	**32,105.23**	**28,602 .76**
Waste intensity per rupee of turnover (Total waste generated / Revenue in million rupees)	0.14	0 .15
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	2.85	2 .99
Waste intensity in terms of physical output (Waste in MT/ production on MT)	0.32	0 .34
Waste intensity (optional) –the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	21,106.96	18,026.52
(ii) Re-used	---	---
(iii) Other recovery operations	---	---
Total	**21,106.96**	**18,026.52**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Other Hazardous Waste		
(i) Incineration	1,075.36	1,159 .18
(ii) Landfilling	3,860.14	3,755 .64
(iii) Other disposal operations		
Co Processing	3,927.49	3,355 .18
Pre Processing	2,064.41	1,134 .66
Total	**10,927.40**	**9,404 .66**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes, M/s Intertek India Private Limited

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The company has implemented various waste management practices in compliance with applicable rules and regulations, including:

a) Plastic waste is retrieved from the market under EPR liability by an authorized vendor for recycling and energy recovery.

b) Hazardous waste is sent for safe disposal to an authorized vendor for landfill, incineration and co-processing at a cement kiln.

c) E-Waste and Battery waste are directed to an approved recycler for safe disposal.

d) Bio - Medical waste is sent for incineration to authorized vendor for safe disposal.

e) Non–Hazardous waste is sent to approved vendor for safe disposal.

The company has adopted following steps to reduce the use of toxic and hazardous chemicals in products and manage the subsequent waste:

a) Establishing a culture of sustainability across the labs and sensitizing the mindsets to ensure that new medicines are designed and developed in the environmentally sustainable way possible.

b) Operating R&D functions on the following sustainability parameters for existing and new products:

- Optimize water consumption
- Reduce wastewater generation
- Reduce hazardous waste
- Continuously working towards 4Rs (Reduce, Reuse, Recycle, and Recover)

c) Reducing reliance on solvents during product development itself so that lesser quantities of solvents are required to be used at the time of scale up.

d) Ongoing efforts to improve yield and ultimately reduce waste from processes.

Standard operating procedures (SOPs) are followed for the segregation and safe disposal of waste through authorized Treatment, Storage, and Disposal Facilities (TSDFs). In addition, waste is sent for co-processing to cement industries, as an Alternative Fuel Resource (AFR), thereby contributing to the conservation of natural resources.

To further enhance its environmental stewardship, the company has adopted innovative solutions for product packaging, such as:

- Introducing a new printing technology that enables the use of 100% recyclable, plastic-free cartons for Tablets
- Reducing outer pack size by 90% for Injectable products
- Replacing *PVC-PVDC blister packs with lighter triple-laminated pouches for Transdermal products
- Redesigning cartons for vials to incorporate a single packaging insert and a paperboard partition for Vaccines

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	Zero	Zero	Entity operations /offices are not located around ecologically sensitive areas.

*PVC: Polyvinyl Chloride

PVDC: Polyvinylidene Chloride

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
During the current FY 2024-25, the company has not initiated any projects for which such environmental impact assessment is required to be undertaken as per the applicable laws.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	The company is compliant with all applicable legal regulations.	Not Applicable.	Not Applicable.	

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

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

(i) Name of the area

a. Vadodara (Padra) *

b. Ahmedabad – Corporate Office *

(ii) Nature of operations –API Operations at Padra and Administrative office premises at Ahmedabad

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	---	---
(ii) Groundwater	2,59,173	2,25,890
(iii) Third party water	---	---
(iv) Seawater / desalinated water	---	---
(v) Others	---	---
Total volume of water withdrawal (in kilolitres)	**2,59,173**	**2,25,890**
Total volume of water consumption (in kilolitres)	**2,59,173**	**2,25,890**
Water intensity per rupee of turnover (Water consumed (KL)/ revenue in million rupees	1.12	1.16
Water intensity in terms of physical output (KL/MT)	2.61	2.69

* As per Central Ground Water Authority (CGWA), Govt. of India

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	---	---
- No treatment	---	---
- With treatment – please specify level of treatment	---	---
(ii) Into Groundwater	---	---
- No treatment	---	---
- With treatment – please specify level of treatment	---	---
(iii) Into Seawater	---	---
- No treatment	---	---
- With treatment – please specify level of treatment	Tertiary Treatment	Tertiary Treatment
(iv) Sent to third parties	---	---
- No treatment	---	---
- With treatment – please specify level of treatment	Tertiary Treatment 81,518	Tertiary Treatment 72,602
(v) Others	Reuse in utility and gardening	Reuse in utility and gardening
- No treatment		
- With treatment – please specify level of treatment	Tertiary Treatment: 42,892	Tertiary Treatment: 59,754
Total water discharged (in kilolitres)	**1,24,410**	**1,32,356**

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent (tCO_2e)	66,915.74	51,363.48
Total Scope 3 emissions per rupee of turnover	(tCO_2e per million ₹ revenue)	0.29	0.26
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.	N.A.

Scope: 03 emissions accounted for the following categories as per GHG protocol:

Category 2 (Capital Goods) : Spend Based Method

Category 6 (Business Travel) : Spent Based Method

Category 9 (Downstream Transportation and Distribution) : Spend Based Method

Category 5 (Waste Generated in Operations) : Waste Specific Method

Category 7 (Employee Commuting) : Distance Specific Method

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 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not Applicable

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Increase of renewable energy in the energy mix instead of grid grey energy	a) Generation of solar energy by installation of a solar plant. b) Utilization of hybrid power (Wind & Solar) through open access by power purchase agreement. c) Replacement of coal with biomass briquet as primary fuel to generate steam in boiler.	a) Reduction in carbon footprint b) Energy security for future stringent rules on grey power
2	Reduce impact on effluent discharge and water conservation	Air Handling Unit (AHU) condensate is collected in separate tank and is used for the gardening.	Reduction in consumption of freshwater and discharge of effluent.
3	Resource efficiency	ETP sludge is routed from landfill to cement industry for co-processing.	Eco-friendly disposal of waste.
4	Improvement in energy efficiency	Reduction in coal consumption by improving boiler efficiency through better steam-to-fuel ratio.	Fuel saving: 128MT Coal GHG reduction: 238tCO2e
		Increase of co processing to recover the energy content from off-specification and expired products to cement industry instead of incineration.	Disposal of waste in an eco-friendly manner. Creating energy value from waste
5	Extended Producer Responsibility for plastic packaging liability	Plastic packaging is recycled and sent for energy recovery.	Sustainable disposal of the plastic packaging material.

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

   Yes, the company has established a business continuity and disaster recovery plan across all its locations to safeguard its resources in the event of any emergency or exigency. This continuity plan enables the company to sustain and adapt in situations that arise from any natural calamity or manmade disaster or an unprecedented event that could disrupt business activities. The company regularly reviews and modifies this plan by incorporating learnings and observations from past disruptions faced in unprecedented situations, such as cyclones, floods, landslides, pandemics etc. The company's risk management plan aims at minimizing the impact of such disasters on the business operations by periodic assessment of their likelihood and potential effects, while also developing appropriate mitigation strategies . Additionally, the company has taken a business interruption insurance policy to compensate for loss of profit that may occur due to disruptions from natural disasters.

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?**

   Zero adverse impact during reporting year FY 2024-25.

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

   39%

8. How many Green Credits have been generated or procured:

a. By the listed entity : Nil

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners : Nil

PRINCIPLE 7: BUSINESSES WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/ associations.

The company is associated with fourteen trade and industry chambers/associations

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

S. no	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Pharmaceutical Alliance	National
2	Federation of Indian Chambers of Commerce and Industry ("FICCI"),	National
3	The Indian Drug Manufacturers Association	National
4	Indian Pharmacopeia Commission	National
5	Indian Pharmaceutical Association	National
6	The Confederation of Indian Industry	National
7	All India Food Processors' Association	National
8	Protein Foods and Nutrition Development Association of India.	National
9	International Market Assessment India Private (IMA)	National
10	Indian Beauty & Hygiene Association	National
11	The Advertising Standards Council of India	National
12	Pharmexcil, Hyderabad	State
13	Gujarat Chamber of Commerce & Industry ("GCCI").	State
14	Ahmedabad Management Association	State
15	Indian Pharmaceutical Research & Innovation by UP govt.	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Not Applicable as there were no issues or any adverse order related to anti-competitive conduct by the company during the FY 2024-25.

Leadership Indicators

1. Details of public policy positions advocated by the entity

S. no	Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify	Web Link, if available
The company engages with various stakeholders such as industry chambers, associations, governments, and regulators, to offer insights for the development and execution of public policies. This engagement, guided by principles of commitment, integrity, and transparency, prioritizes the interests of all stakeholders. The methods employed include participation in meetings, conferences, official communications, and engagement as needed.					

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT. ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   During FY 2024-25, SIA was conducted by an independent agency, M/s SoulAce Consulting Pvt Ltd and the details of the assessment can be found from the following link : https://www.zyduslife.com/public/pdf/Zydus-Impact-Assessment-24.pdf

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

S. no	Name of project for which R&R is ongoing	State	District	No of Project Affected Families	% of PAF covered by RAR	Amount Paid to PAFs in the FY (in ₹)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community**

   The company conducts regular visits to local communities to engage with them and adress their concerns and issues. The company leverages digital tools to redress any concerns and grievances raised by community members on social media. The company has a dedicated team to monitor online reputational management (ORM) efforts, and to support them, the company has also subscribed to a social listening tool called Locobuzz. The team monitors this tool 4 times a day to respond to any incoming queries. If necessary, the queries are directed to the appropriate department. On working days, the first response turnaround time (TAT) is under 05 hours and on weekends, it is up to 12 hours.

   The company also has a mechanism in place for the consumer wellness division to visit and interact with farmers at locations to report their grievances and offer solutions aimed at enhancing the health and hygiene of their livestock. Furthermore , farmer's helpline has been established to resolve issues related to animals' health and feeding.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2024-2025 Current Financial Year	FY 2023-2024 Previous Financial Year
*Directly sourced from MSMEs/ Small producers	11%	14%
*Directly from within India	73%	78%

*The suppliers comprise of vendors/suppliers providing API excipients, raw materials, packaging materials, Indirect materials and Intermediate solvent to the company.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Location	FY 2024-2025	FY 2023-2024
Rural	0.00%	0.00%
Semi-urban	6.98%	7.37%
Urban	6.99%	7.25%
Metropolitan	86.02%	85.38%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. **Provide the following information on projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. no	State	Aspirational District	Amount spent (INR)
1	Gujarat	Dahod	6,39,61,000

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) -**

   No

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

   N.A.

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

   N.A.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

   No intellectual property was owned or acquired based on traditional knowledge during FY 2024-25.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   No adverse order in intellectual property related disputes was received wherein usage of traditional knowledge is involved. Hence, not applicable.

6. **Details of beneficiaries of CSR Projects.**

S. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
Please refer pg:185-186 of integrated annual report		4,87,252	100%

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN RESPONSIBLE MANNER ESSENTIAL INDICATORS

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

   The company has established procedures for receiving, recording, investigating and responding to the product quality complaints related to drug products, drug substances and saleable intermediates that it manufactures, markets, or distributes.

   a) Complaints may be received verbally, in writing , through electronic methods like post, fax, e-mail, telephone or in-person, along with samples, photographs or other evidence depicting the defect.

   b) On receipt, the complaint is logged and acknowledged along with any necessary additional information needed, if any, for further investigation.

   c) Nature of the complaint is assessed and categorized as critical, major and minor. A preliminary investigation is done as per applicable regulations.

   d) The investigation is carried ou within a stipulated timeframe to determine the root cause, assess the impact, evaluate risks to product quality and patient safety and decide on suitable corrective actions and preventive actions (CAPA).

   e) Following the investigation, immediate actions may be taken, which could involve include product recalls, alert notifications to the regulatory agencies, or, suspension of manufacturing of the product etc.

   f) Response to the complaint is shared with the complainant and waiting time of 60 days is considered to get the feedback from the complainant before the closure of the complaint.

   g) The company also has established a global pharmacovigilance policy which showcases the company's commitment and efforts towards patient safety.

   h) For the consumer wellness arm of the company, customers can either write a letter to company's mailing address, or send an email to customercare@zyduswellness.com or call on customer care phone number 18001206868. Contact details are also available on the website of the Company.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

	As a percentage to total turnover
Environment and Social parameters relevant to product	100%: There are social parameters relevant to the responsible, safe and prescribed usage of the products.
Safe and responsible usage	100%
Recycling and/or safe disposal	All our products which are expired or damaged and cannot be consumed are taken back from trade and are audited and disposed-off as per the guidelines enumerated in the internal policy and adhering to local laws and rules.

3. Number of consumer complaints

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	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	0	0	---	0	0	---
Advertising	0	0	---	0	0	---
Cyber-security	0	0	---	0	0	---
Delivery of essential services	0	0	---	0	0	---
Restrictive Trade Practices	0	0	---	0	0	---
Unfair Trade Practices	0	0	---	0	0	---
Other (Customers)	1567	0	---	1658	0	---

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

	Number	Reason for recall
Voluntary recalls	54	Market complaints – products out of specifications, regulatory recommendations
Forced recalls	0	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the company has an internal cybersecurity policy which aims at:

- protecting and maintaining the confidentiality, integrity and availability of information,
- managing the risk of security exposure and compromise,
- assuring a secure and stable IT environment,
- identifying and responding to events involving information asset misuse, loss or unauthorized disclosures,
- monitoring systems for anomalies that might indicate compromise,
- promoting and increasing the awareness of information security.

Further, from a governance perspective, cyber risks are monitored and mitigated through the Risk Management framework implemented under Risk Management Policy, which is available on the website of the company at https://www.zyduslife.com/public/pdf/companypolicy/Risk-Management-Policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

- The products recall made during FY25 has not resulted in any regulatory action against the company.

- The relevant recalls were investigated in detail, identification of root cause and appropriate CAPAs were taken based on findings to prevent the recurrence of such events.
- To ensure cybersecurity, a comprehensive endpoint security solution has been implemented for better protection of data on endpoint devices.
- The comprehensive cybersecurity assessment is in process for understanding the gaps in the current information technology (IT) landscape from the cybersecurity perspective.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches along with impact - Nil

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

c. Impact, if any, of the breaches: Nil

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on products and services of the company can be found on the following link https://www.zyduslife. com/products; www.zyduswellness.com; www.sugarfree-india.com, www.everyuth.com, www.complanforgrowth.com, www.nutralite.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The products carry a detailed information leaflet/labelling regarding the safe use of the product. For the consumer wellness business, the company also enables consumers to make better choices by imparting information to consumers through several media channels, social campaigns, and providing free trials of new products through different platforms.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

- In view of the presence of other brands and companies with similar products in the pharmaceutical sector, it is very unlikely that the discontinuation of any of the products will lead to disruption or discontinuation of essential services to the larger community.
- Additionally , in accordance with the National Pharmaceutical Pricing Authority, the company discloses discontinuation of any scheduled formulation by issuing a public notice for relevant stakeholders as well as to inform the Government at least six months prior to the intended date of discontinuation.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable)? If yes, provide details in brief.

No.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The marketing team of the company regularly interacts with the consumers, and healthcare professionals and takes their feedback on the products for further improvement, if required.

intertek assuris
Science Based Assurance in Quality, Safety & Sustainability.

Independent Reasonable Assurance Statement to Zydus Lifesciences Limited on their Business Responsibility & Sustainability Report (BRSR) FY2024-25 Core Disclosures.

To the Management of Zydus Lifesciences Ltd., Ahmedabad, India

Introduction
Intertek India Private Limited ("Intertek") was engaged by Zydus Lifesciences Limited ("ZLL") to provide an independent reasonable assurance on its consolidated BRSR (Business Responsibility & Sustainability Report) core disclosures for FY2024-25 as part of their Integrated Annual Report ("the Report"). The scope of the Report comprises the reporting period of FY2024-25. The Report is prepared by ZLL based on SEBI's (Securities and Exchange Board of India) BRSR guidelines. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective
The objectives of this reasonable assurance engagement were, by review of objective evidence, to confirm whether the sustainability related disclosures in the Report are in alignment with the Business Responsibility and Sustainability Report (BRSR) Core disclosures requirements laid down by SEBI and were accurate, complete, consistent, transparent and free of material errors or omission in accordance with the criteria outlined below.

Intended Users
This Assurance Statement is intended to be a part of the Integrated Annual Report of Zydus Lifesciences Limited.

Responsibilities
The management of ZLL is solely responsible for the development of the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of ZLL, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope
The assurance has been provided for selected sustainability performance disclosures as per BRSR core disclosures with reference to SEBI's "BRSR Core - Framework for assurance and ESG disclosures for value chain" vide circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, presented by ZLL in its Report. The assurance boundary included data and information of of its 96 operational sites which includes 39 manufacturing plants, 7 R&D centres and 50 Offices.
Our scope of assurance included verification of internal control systems, data and information on core disclosures reported as summarized below:

BRSR-Core Disclosures

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

- Number of days of accounts payable
- Concentration of purchases & sales done with trading houses, dealers, and related parties.

- Loans and advances & investments with related parties

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

- Cost incurred on well-being measures of employees and workers as a percentage of total revenue of the company
- Safety related incidents for employees and workers (LTIFR + Fatality + Permanent Disabilities) including contractual workforce

Principle 5: Businesses should respect and promote human rights

- Gross wages paid to females as percentage of total wages paid
- Complaints on POSH

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

- Total scope 1 and scope 2 emissions
- GHG emissions intensity (scope 1 and 2)
- Total water consumption, water consumption Intensity and water discharge by destination and levels of treatment
- Total energy consumed, percentage of energy consumed from renewable sources and energy intensity
- Total waste generated (category wise), waste intensity, Total waste recovered through recycling, re-using or other recovery operations; Total waste disposed by nature of disposal method; waste diverted from landfill.

Principle 8: Businesses should promote inclusive growth and equitable development

- Input material sourced (from MSMEs/ small producers and from within India)
- Job creation in smaller towns– Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost

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

- Instances involving loss / breach of data of customers as % of total data breaches or cyber security events

Assurance Criteria

Intertek conducted the assurance work in accordance with the requirements of 'Reasonable Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement

A reasonable assurance engagement involved assessing the risks of material misstatement of the agreed indicators/parameters whether due to fraud or error, responding to the assessed risks as necesaary in the circumtances. A materiality threshold level of 5% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

Limitations

We have relied on the information, documents, records, data, and explanations provided to us by ZLL for the purpose of our review.

The assurance scope excludes:

- Any disclosures beyond those specified in the Scope section above.
- Data and information falling outside the defined reporting period.
- Data pertaining to the Company's financial performance, strategy, and associated linkages are articulated in the Report.
- Assertions made by the Company encompassing expressions of opinion, belief, aspiration, expectation, forward-looking statements, and claims related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our

procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within software/IT systems.

Methodology

Intertek performed assurance work using a risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a reasonable level of assurance. The assurance was conducted by desk reviews, visit to ZLL's manufacturing site in Moraiya and Ankleshwar, Gujarat and stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2024-25. Our assurance task was planned and carried out during April-June'2025. The assessment included the following:

- Assessment of the select sustainability performance disclosures in accordance with the SEBI's BRSR Core guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available at a selected ZLL's operational site and digitally.
- Conducted physical interviews with key personnel responsible for data management at a selected ZLL's site in Aligarh, Uttar Pradesh.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by ZLL for data analysis.
- Review of BRSR core disclosures for the duration from April 1, 2024 to March 31, 2025 for ZLL was carried out onsite at a selected business location.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details would be provided in a separate management report.

Conclusions

Intertek reviewed BRSR core disclosures provided by ZLL in its Business Responsibility and Sustainability Report (BRSR) in Integrated Annual Report FY2024-25. Based on the data and information provided by ZLL, Intertek concludes that the sustainability data and information is fairly presented in all material aspects as on the reporting standards.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.

Poonam Sinha

Poonam Sinha, Verifier
Manager-Sustainability

2025/06/30

Beth Mielbrecht

Elizabeth Mielbrecht, Reviewer
Project Director

2025/06/30

No member of the verification team (stated above) has a business relationship with Zydus Lifesciences Ltd., stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

INDEPENDENT AUDITOR'S REPORT

To The Members of **Zydus Lifesciences Limited**

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **Zydus Lifesciences Limited** (the "**Company**"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "**Act**") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("**Ind AS**") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, its cash flows and the changes in equity 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 ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility and Sustainability Report, Board's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 financial controls 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 28 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 24 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 49(a) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 49(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 29 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used an accounting

software for maintaining its books of account for the year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility, and the audit trail has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

Additionally audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the **Order**") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN 25106189BMNRJI3812)

Place: Ahmedabad
Date: May 20, 2025

ANNEXURE "A" TO THE 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)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO 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 standalone financial statements of Zydus Lifesciences Company Limited (the "**Company**") as at March 31, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN 25106189BMNRJI3812)

Place: Ahmedabad
Date: May 20, 2025

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

In terms of 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:

(i) In respect of 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 and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work-in-progress and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

(₹ in million)

Description of property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
	Gross carrying value	Carrying value in the financial statements				
Freehold Land Chacharawadi, Vasna Land. Block-391-455	41.78	41.78	Dr. Sharvil P. Patel	Promoter	16 Years	Land held in fiduciary capacity on behalf of the Company
Freehold Land Masar Dist. Padra Land,1005-6,13,14,15,16,23,24,25	314.88	314.88	Cadila Healthcare Limited	No	6 Years	The title deeds are in the name of erstwhile name of the Company "Cadila Healthcare Limited"
Freehold Land Zap-Tandalja, Baroda-Land,234/1 &33, 234/2	271.53	271.53			4 Years	
Freehold Land Kanzat, Masar & Tandalja Land. 60,1075/A, B,1078,80	241.72	241.72			6 Years	
Freehold Land Kanzat Block. 1160 To 70, 1207	59.55	59.55			9 Years	
Freehold Land Baddi Land	28.01	28.01			22 Years	
Freehold Land 3Plot-511 & 509 Free Hold Land, Ambli Land	33.21	33.21			16 Years	
Freehold Land Plot-138/1,138/2,142 Free Hold Land, Ambli	27.75	27.75			16 Years	
Freehold Land Ekalbar- Free Hold Land	25.40	25.40			14 Years	

(d) The Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories, except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end, where not received, confirmations have been obtained from the custodian. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from a banks on the basis of security of current assets of the Company. In our opinion and according to the information and explanations given to us including the revised submissions made by the Company, the revised quarterly returns or statements comprising of stock statements, book debt statements and other stipulated financial information, filed by the Company with such banks till the date of this report are in agreement with the unaudited books of account of the Company of the respective quarters.

The Company is yet to submit the revised return/ statement for the quarter ended March 31, 2025, with the bank.

(iii) The Company has not given any advances in the nature of loans during the year. The Company has made investments in, provided guarantee and granted unsecured loans during the year, in respect of which:

A. The Company has provided loans and stood guarantee during the year and details of which are given below:

(₹ in million)

		Loans	Guarantees
A.	**Aggregate amount granted / provided during the year:**		
	- Subsidiaries (wholly owned)	10,782#	-
B.	**Balance outstanding as at balance sheet date in respect of above cases:**		
	- Subsidiaries (wholly owned)	42,441	12,403

Excluding loans renewed or extended during the year dealt with in Clause (iii)(E) below

B. The investments made, guarantee provided and the terms and conditions of the grant of all the above-mentioned loans during the year are, in our opinion, not prejudicial to the Company's interest.

C. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

D. According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted, there is no overdue amount remaining outstanding as at the balance sheet date.

E. During the year, loans aggregating ₹ 600 million fell due from certain subsidiaries and have been renewed or extended, details of which are as follows:

Name of the party	Aggregate amount of existing loans renewed or extended (₹ In million)	Percentage of the aggregate to the total loans granted during the year
Zydus International Private Limited, Ireland	598	5.55%
Dialforhealth Unity Limited	2	0.02%

F. According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(F) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from public to which the directives issued by the Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance and Deposit) Rules, 2014, as amended, would apply. Accordingly, clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

(₹ in million)

Name of the Statute	Nature of the Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved	Unpaid Amount
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2011-12 and 2022-23	0.80	0.09
		Commissioner of Income Tax (Appeals)	AY 2011-12, 2014-15 and 2016-17 to 2018-19	58.36	28.66
		Income Tax Appellate Tribunal	AY 2020-21, 2021-22	801.89	560.32
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2004-05 to 2017-18	326.74	312.59
		Appellate Authority up to Commissioner's level	2005-06 to 2010-11 & 2013-14 to 2016-17	23.82	21.65
Central Goods & Service Tax Act, 2017	Central Goods & Service Tax	Adjudication Authority	2020-21	6.10	6.10
		Commissioner (Appeal)	2017-18 to 2020-21	230.54	192.75
		Hon'ble High Court of Gujarat	2017-18	163.72	158.46
Customs Act, 1962	Custom Duty	Customs, Excise and Service Tax Appellate Tribunal	2017-18 to 2019-20	32.76	27.90
Sales Tax Act and VAT Laws	Value Added Tax	Tribunal	2012-13 to 2014-15 and 2016-17 to 2017-18	19.75	16.65
		Appellate Authority up to Commissioner's level	2010-11 and 2017-18	4.36	4.36
	Sales Tax	Appellate Authority up to Commissioner's level	2005-06 to 2007-08	0.01	0.01
	Central Sales Tax	Appellate Authority up to Commissioner's level	2002-03, 2008-09 to 2009-10, 2011-12 to 2012-13	4.32	2.96

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year, and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to December 2024 and the final internal audit report where issued after the balance sheet date covering the period of January 1, 2025 to March 31, 2025 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's subsidiaries and joint ventures or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 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. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group has more than one CIC as part of the group. There are two CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to

believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN 25106189BMNRJI3812)

Place: Ahmedabad
Date: May 20, 2025

Standalone Balance Sheet as at March 31, 2025

₹ in Million

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 (A)	41,358	43,257
Capital work-in-progress	3 (D)	11,885	6,267
Goodwill	3 (B)	-	-
Other Intangible Assets	3 (B)	663	437
Intangible Assets under Development	3 (E)	-	72
Financial Assets:			
Investments	4	72,550	72,830
Loans	5	41,190	36,406
Other Financial Assets	6	152	144
Other Non-Current Assets	7	1,457	1,408
Assets for Current Tax (Net)	8	767	669
Total Non-Current Assets		**170,022**	**161,490**
Current Assets:			
Inventories	9	19,521	16,873
Financial Assets:			
Investments	10	42,365	-
Trade Receivables	11	81,618	47,401
Cash and Cash Equivalents	12 (A)	1,030	1,081
Bank Balances other than Cash and Cash Equivalents	12 (B)	411	3,063
Loans	13	1,251	1,048
Other Current Financial Assets	14	4,147	5,973
Other Current Assets	15	2,804	3,674
Total Current Assets		**153,147**	**79,113**
Assets classified as held for sale	52	-	245
Total Assets		**323,169**	**240,848**
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	16	1,006	1,006
Other Equity	17	210,895	156,159
Total equity		**211,901**	**157,165**
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	18	28,621	55,554
Lease Liabilities	47	21	35
Other Financial Liabilities	19	287	246
Provisions	20	2,369	1,851
Deferred Tax Liabilities (Net)	21	1,456	583
Total Non-Current Liabilities		**32,754**	**58,269**
Current Liabilities:			
Financial Liabilities:			
Borrowings	22	54,766	6,181
Lease Liabilities	47	14	13
Trade Payables:			
Dues to Micro and Small Enterprises	23	321	161
Dues to other than Micro and Small Enterprises	23	11,995	10,957
Other Financial Liabilities	24	5,288	4,420
Other Current Liabilities	25	1,087	1,154
Provisions	26	1,179	1,054
Current Tax Liabilities (Net)	27	3,864	1,474
Total Current Liabilities		**78,514**	**25,414**
Total Liabilities		**111,268**	**83,683**
Total Equity and Liabilities		**323,169**	**240,848**
Material Accounting Policies	**2**		
Notes to the Standalone Financial Statements	**3 to 53**		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Ahmedabad
May 20, 2025

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Ahmedabad
May 20, 2025

Standalone Statement of Profit and Loss for the year ended March 31, 2025

₹ in Million

Particulars	Note No.	Year ended March 31, 2025	Year ended March 31, 2024
INCOME:			
Revenue from Operations	30	151,163	108,187
Other Income	31	6,962	10,848
Total Income		**158,125**	**119,035**
EXPENSES:			
Cost of Materials Consumed	32	27,871	30,014
Purchases of Stock-in-Trade	33	3,509	2,832
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	34	(1,211)	(1,317)
Employee Benefits Expense	35	17,622	15,075
Finance Costs	36	4,639	3,907
Depreciation and Amortisation Expense	3 (C)	5,239	5,044
Other Expenses	37	28,105	21,743
Net (Gain) on foreign currency transactions		(2,096)	(747)
Total Expenses		**83,678**	**76,551**
Profit before Exceptional Items and Tax		**74,447**	**42,484**
Less: Exceptional Items	46	-	86
Profit before Tax		**74,447**	**42,398**
Less: Tax Expense:			
Current Tax	38	15,825	9,343
Deferred Tax	38	873	(1,360)
		16,698	**7,983**
Profit for the year		**57,749**	**34,415**
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement (losses) on post employment defined benefit plans		(258)	(234)
Net gain/ (loss) on fair value through OCI (FVTOCI) equity securities		270	(139)
Income tax effect on above		52	51
Other Comprehensive Loss for the year (Net of Tax)		**64**	**(322)**
Total Comprehensive Income for the year (Net of Tax)		**57,813**	**34,093**
Basic & Diluted Earnings per Equity Share (EPS) (in Rupees)	39	**57.39**	**34.01**
Material Accounting Policies	2		
Notes to the Standalone Financial Statements	3 to 53		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Ahmedabad
May 20, 2025

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Ahmedabad
May 20, 2025

Standalone Statement of Changes in Equity for the year ended March 31, 2025

A EQUITY SHARE CAPITAL:

	No. of Shares	₹ in Million
Equity Shares of ₹ 1/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2023	1,012,204,139	1,012
Less: Extinguished pursuant to buyback of shares	(5,970,149)	(6)
As at March 31, 2024	1,006,233,990	1,006
As at March 31, 2025	**1,006,233,990**	**1,006**

B OTHER EQUITY:

₹ in Millions

	Reserves and Surplus					Items of OCI	Total
	Capital Reserve	Capital Redemption Reserve	International Business Development Reserve	General Reserve	Retained Earnings	FVTOCI Reserve	
As at March 31, 2023	20,379	12	2,000	6,893	105,674	424	135,382
Add: Profit for the year	-	-	-	-	34,415	-	34,415
[Less]: Other Comprehensive Income	-	-	-	-	(183)	(139)	(322)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**34,232**	**(139)**	**34,093**
Add: Adjustment pursuant to Business Transfer Agreement [BTA] [Note-51]	1	-	-	-	-	-	1
Transfer pursuant to buyback of shares	-	6	-	(6)	-	-	-
Transactions with Owners in their capacity as owners:							
Less: Dividend	-	-	-	-	(6,073)	-	(6,073)
Less: Utilised for buyback of shares	-	-	-	(5,684)	-	-	(5,684)
Transactions with other than Owners:							
Less: Tax and transaction costs on buyback of shares	-	-	-	(1,203)	(357)	-	(1,560)
As at March 31, 2024	**20,380**	**18**	**2,000**	**-**	**133,476**	**285**	**156,159**
Add: Profit for the year	-	-	-	-	57,749	-	57,749
[Less]/Add: Other Comprehensive Income	-	-	-	-	(206)	270	64
Total Comprehensive Income	**-**	**-**	**-**	**-**	**57,543**	**270**	**57,813**
Transactions with Owners in their capacity as owners:							
Less: Dividends	-	-	-	-	(3,019)	-	(3,019)
Less: Adjustment pursuant to redemption of investment in preference shares of a joint venture	-	-	-	-	(58)	-	(58)
As at March 31, 2025	**20,380**	**18**	**2,000**	**-**	**187,942**	**555**	**210,895**

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Ahmedabad
May 20, 2025

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

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Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Ahmedabad
May 20, 2025

Standalone Cash Flow Statement for the year ended March 31, 2025

₹ in Million

Particulars		Year ended March 31, 2025		Year ended March 31, 2024
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**			
	Profit before tax		74,447	42,398
	Adjustments for:			
	Depreciation and Amortisation expense	5,239		5,044
	Exceptional Items	-		86
	(Gain) on disposal of Property, Plant and Equipment (Net)	(349)		(136)
	FVTPL gain/ profit on sale of investments (Net)	(282)		(142)
	Interest income	(3,227)		(3,221)
	Loss/ (Gain) on valuation of Forward Contract value related to investment in a Joint Venture	60		(976)
	Dividend income	(3,012)		(6,023)
	Interest expenses	4,613		3,882
	Net Loss on Fair Valuation of Swap Contract	191		-
	Effect of foreign exchange movement	(757)		(496)
	Trade receivables written off	5		-
	Expected credit loss on trade receivables (Net)	233		184
	Doubtful advances written off	144		-
	Allowance for doubtful advances (Net of written back)	8		22
	Provision for employee benefits	248		216
	Provision for probable product expiry claims and return of goods (Net of written back)	137		70
	Total		3,251	(1,490)
	Operating profit before working capital changes		77,698	40,908
	Adjustments for:			
	(Increase) in trade receivables	(34,648)		(12,632)
	(Increase)/ Decrease in inventories	(2,648)		951
	Decrease/ (Increase) in other assets	2,624		(1,044)
	Increase in trade payables	1,121		910
	Increase/ (Decrease) in other liabilities	474		(113)
	Total		(33,077)	(11,928)
	Cash generated from operations		44,621	28,980
	Income taxes paid (Net of refunds)		(13,481)	(8,977)
	Net cash from operating activities		31,140	20,003
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**			
	Purchase of property, plant and equipment and intangible assets (including payment towards capital work-in-progress, intangible asset under development and capital advances)	(9,049)		(5,854)
	Proceeds from sale of property, plant and equipment and intangible assets	478		188
	Purchase of non current investments in subsidiaries	(3,254)		(26,707)
	Proceeds from redemption of non current investments in a subsidiary/ joint venture	3,785		182
	Proceeds from redemption of non current investments in others	200		-
	Change in Bank balances (including fixed deposits) not considered as cash and cash equivalents	2,652		(487)
	(Investments in)/ redemption of current investments (Net)	(42,075)		2,158
	Loans to subsidiaries	(10,782)		(828)
	Repayment of loans by subsidiaries	6,367		4,056
	Interest received	3,630		2,951
	Dividend received	3,012		6,023
	Net cash (used in) investing activities		(45,036)	(18,318)

Standalone Cash Flow Statement for the year ended March 31, 2025

₹ in Million

Particulars		Year ended March 31, 2025	Year ended March 31, 2024
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
	Proceeds from non current borrowings	10,566	20,625
	Repayment of non current borrowings	(12,928)	(3,608)
	Buyback of equity shares (including tax and transaction costs)	-	(7,250)
	Current borrowings (Net - Proceeds/ (repayment))	24,025	(3,523)
	Lease liabilities (Net)	(17)	14
	Interest paid	(4,777)	(3,191)
	Dividends paid	(3,024)	(6,075)
	Net cash from/ (used in) financing activities	**13,845**	**(3,008)**
	Net (decrease) in cash and cash equivalents	**(51)**	**(1,323)**
	Cash and cash equivalents at the beginning of the year	**1,081**	**2,404**
	Cash and cash equivalents at the end of the year	**1,030**	**1,081**

Notes to the Cash Flow Statement

1 The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".

2 All figures in brackets are outflows.

3 Summary of Cash and cash equivalents, Bank balance, Current Investments and Fixed Deposits more than 12 months:

₹ in Million

		As at March 31		
		2025	2024	2023
a	Cash and cash equivalents	1,030	1,081	2,404
b	Bank balance other than cash and cash equivalents	411	3,063	77
c	Current Investments	42,365	-	2,016
d	Fixed Deposits more than 12 month's maturity	1	1	2,500
e	**Total**	**43,807**	**4,145**	**6,997**

4 Change in Liability arising from financing activities:

₹ in Million

	Borrowings		
	Non-Current (Note-18)	Current (Note-22)	Total
As at March 31, 2023	38,532	9,693	48,225
Cash flow	17,017	(3,523)	13,494
Foreign exchange movement	5	11	16
As at March 31, 2024	**55,554**	**6,181**	**61,735**
Cash flow	(2,362)	24,025	21,663
Foreign exchange movement	-	(11)	(11)
As at March 31, 2025	**53,192**	**30,195**	**83,387**

For movement of lease liabilities, Refer Note 47.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Ahmedabad
May 20, 2025

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Ahmedabad
May 20, 2025

Notes to the Standalone Financial Statements

NOTE: 1-COMPANY OVERVIEW:

Zydus Lifesciences Limited ("the Company") (CIN : L24230GJ1995PLC025878), a Company limited by shares, incorporated and domiciled in India, operates as an integrated pharmaceutical company with business encompassing the entire value chain in the research, development, production, marketing and distribution of pharmaceutical products. The product portfolio of the Company includes Active Pharmaceutical Ingredients (API) and human formulations. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited. The registered office of the Company is located at "Zydus Corporate Park", Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Ahmedabad - 382481. These standalone financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 20, 2025.

NOTE: 2-MATERIAL ACCOUNTING POLICIES:

A The following note provides list of the material accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

1 Basis of preparation:

A The Standalone financial statements have been prepared in all material aspects in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

B The standalone financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair values at the end of the reporting periods:

i Derivative financial instruments

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

iii Defined benefit plans

2 Use of key 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 standalone financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Critical accounting judgments and estimates:

A Property, Plant and Equipment:

Property, Plant and Equipment represent a large proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as changes in technology. Refer Note-2 (7).

B Employee benefits:

Actuarial valuation involves key assumptions of life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans. Refer Note-20.

C Product expiry claims:

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists. Refer Note-26.

D Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount

Notes to the Standalone Financial Statements

expected to be paid/recovered for uncertain tax positions. Refer Note-38.

E Contingent liabilities:

Significant judgments are involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources. Refer Note-28.

3 FOREIGN CURRENCY TRANSACTIONS:

The Company's standalone financial statements are presented in Indian Rupees (₹), which is the functional and presentation currency.

A The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.

B Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss. However, foreign currency differences arising from the translation of certain equity instruments where the Company had made an irrevocable election to present in OCI subsequent changes in the fair value are recognised in OCI.

C Foreign exchange differences regarded as adjustments to borrowing costs are presented in the Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

D Investments in foreign subsidiaries and other companies are recorded in ₹ (functional currency) at the rates of exchange prevailing at the time when the investments were made.

4 REVENUE RECOGNITION:

A The following are the accounting policies related to revenue recognition under Ind AS 115:

a Sale of Goods:

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights.

The goods are often sold with volume discounts/ pricing incentives and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts, net of discounts, sales tax/ Goods and Services Tax (GST). When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

b License Fees:

License fees primarily consist of income from the outlicensing of intellectual property and other licensing and supply arrangements with various parties. Revenue from license fees is recognised when control transfers to the third party and the Company's performance obligations are satisfied. Some of these arrangements include certain performance obligations by the Company. Revenue from such arrangements is recognised in the period in which the Company completes all its performance obligations.

c Royalty income:

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

d Service Income:

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of indirect taxes, wherever applicable.

Notes to the Standalone Financial Statements

e **Other Income:**

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

5 GOVERNMENT GRANTS:

A Government grants are recognised only when there is a reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

B When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

C Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.

D When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

6 TAXES ON INCOME:

Tax expenses comprise of current and deferred tax.

A **Current Tax:**

a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Current tax items are recognised in co-relation to the underlying transaction either in profit or loss, OCI or directly in Equity.

B **Deferred Tax:**

a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b Deferred tax liabilities are recognised for all taxable temporary differences.

c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

e Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

f Deferred tax items are recognised in co-relation to the underlying transaction either in profit or loss, OCI or directly in equity.

g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

7 PROPERTY, PLANT AND EQUIPMENT:

A Freehold land is carried at historical cost, less impairment, if any. All other items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost (Net of Input tax credit received/ receivable) includes related expenditure and project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met. 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 associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All

Notes to the Standalone Financial Statements

other repairs and maintenance costs are charged to the Statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.

B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

C Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

The estimated useful lives are as follows:

Asset Class	No. of years
Leasehold Land	Over the period of lease
Buildings	30 to 60 Years
Plant and Equipment	3 to 15 Years
Furniture, Fixtures and Office Equipments	5 to 10 Years
Vehicles	8 Years

D Depreciation on impaired assets is calculated on the reduced values, if any, on a systematic basis over its remaining useful lives.

E Depreciation on additions/ disposals of the Property, Plant and Equipment during the year is provided on pro-rata basis according to the period during which assets are used.

F Where the actual cost of purchase of an asset is below ₹ 10,000/-, the depreciation is provided @ 100 %.

G Capital work in progress is stated at cost less accumulated impairment loss, if any.

H An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

8 INTANGIBLE ASSETS:

A Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

B Internally generated intangibles are not capitalised and the related expenditure is reflected in Statement of profit and loss in the period in which the expenditure is incurred.

C Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated useful lives of ten years.

D Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life of four years as estimated by the management at the time of capitalisation.

E Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

F An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

G Intangible assets under development is stated at cost less accumulated impairment loss, if any.

9 RESEARCH AND DEVELOPMENT COST:

A Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.

B Capital expenditure on research and development equipment is given the same treatment as Property, Plant and Equipment.

Notes to the Standalone Financial Statements

10 BORROWING COSTS:

A Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per Effective Interest Rate (EIR) method.

Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

B Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

11 IMPAIRMENT OF NON FINANCIAL ASSETS:

The Property, Plant and Equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

Non-financial assets other than Goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

12 INVENTORIES:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

A Raw Materials, Packing Materials, Finished Goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realisable value.

B Cost (Net of Input tax credit availed) of Raw Materials, Packing Materials, Finished Goods, and Stock-in-Trade is determined on Moving Average Method.

C Costs of Finished Goods and Work-in-Progress are determined by taking material cost (Net of Input tax credit availed), labour and relevant appropriate overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Write down of inventories to net realisable value is recognised as an expense and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and "Cost of Materials Consumed" in the relevant note in the Statement of Profit and Loss.

13 CASH AND CASH EQUIVALENTS:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

14 LEASES:

As a lessee:

For any new contracts entered into, the Company considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Measurement and recognition of leases as a lessee:

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date

Notes to the Standalone Financial Statements

to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in financial liabilities.

As a lessor:

As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure of contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in standalone financial statements.

B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

16 PROVISION FOR PRODUCT EXPIRY CLAIMS:

Provisions for product expiry related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of product expiry claim related costs is revised annually.

17 EMPLOYEE BENEFITS:

A Short term obligations:

Liabilities for wages and salaries, including earned leave and sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

B Long term employee benefits obligations:

a Leave Wages and Sick Leave:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months period after the end of the period in which the employees render the related service. They are therefore, measured at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method, as determined by actuarial valuation, performed by an independent actuary. The benefits are discounted using the market yields at the end of reporting period that have the terms approximating to the terms of the related obligation. Gains and losses through re-measurements are recognised in Statement of profit and loss.

Notes to the Standalone Financial Statements

b Defined Benefit Plans:

i Gratuity:

The Company operates a defined benefit gratuity plan with contributions to be made to a separately administered fund through Life Insurance Corporation of India through Employees Group Gratuity Plan. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the statement of Profit and Loss.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the Statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and

ii Net interest expense or income.

ii Company administered Provident Fund:

In case of a specified class of employees, monthly contributions of such employees and the company, are deposited to Cadila Healthcare Limited Employees' Provident Fund Trust. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

Contributions to such provident fund are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

c Defined Contribution Plans - Provident Fund Contribution:

Employees of the Company, other than covered in point (ii) above, receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The company has no further obligation to the plan beyond their monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

C Employee Separation Costs:

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

18 DIVIDENDS :

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

19 FINANCIAL INSTRUMENTS:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the Standalone Financial Statements

A Financial Assets:

a Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the Company settles to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in five categories:

i Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii Debt instruments at fair value through other comprehensive income (FVTOCI):

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objectives of both collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.

Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii Debt instruments and derivatives at fair value through profit or loss (FVTPL):

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv Investments 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 investments in subsidiaries and joint ventures, the differences between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

v Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income . The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value

Notes to the Standalone Financial Statements

changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c Derecognition:

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

d Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Notes to the Standalone Financial Statements

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance , i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

B Financial Liabilities:

a Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured at amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c Derecognition:

A financial liability is derecognised 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 derecognition 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.

d Embedded derivatives:

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

C Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

20 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING:

Derivatives are recognised initially at fair value and subsequently at fair value through profit and loss.

Fair value hedges:

The Company applies fair value hedge accounting for changes in fair value of derivative instruments and trade receivables (non-derivative financial assets) attributable

Notes to the Standalone Financial Statements

to foreign currency risk. The Company designates certain derivative as well as non-derivative foreign currency financial liabilities (hedging instrument) to hedge the risks of changes in fair value of trade receivables attributable to the movement in foreign exchange rates. The Company documents, at the time of designation, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking such hedging transactions. The Company also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the risk management objectives are met with the hedging relationship. Changes in fair values of both hedging instruments and hedged items are recognised in foreign exchange gains / losses as a part of other income or other expenses as the case may be. If the hedge no longer meets the criteria for hedge accounting, this accounting treatment is discontinued.

21 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:

a In the principal market for the asset or liability, or

b 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 Company.

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. The 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 statements are categorised 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:

a Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c 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 recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

22 BUSINESS COMBINATIONS AND GOODWILL:

A Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value.

B At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements acquired in a business combination are recognised and measured in accordance with Ind AS-12 "Income Tax" and Ind AS-19 "Employee Benefits" respectively.

C When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

D Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS-109 "Financial Instruments", is measured at fair value with changes in fair value recognised in Statement of

Notes to the Standalone Financial Statements

profit and loss. If the contingent consideration is not within the scope of Ind AS-109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequently its settlement is accounted for within equity.

E Goodwill is initially measured at the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as Capital Reserve, without routing the same through OCI.

F After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value less any accumulated impairment.

For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

G A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of profit and loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.

H If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through Goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

23 NON-CURRENT ASSETS HELD FOR SALE:

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale of asset and disposal group is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss.

24 EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

B Recent Accounting Pronouncements:

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March

Notes to the Standalone Financial Statements

31, 2025, MCA has notified amendments to Ind AS 116 – Leases relating to sale and lease back transactions, applicable from April 1, 2024. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

On May 7, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for the year beginning from April 1, 2025. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

Notes to the Standalone Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT:

(A) Property, Plant and Equipment:

₹ in Million

	Freehold Land	Leasehold Land *	Buildings *	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block:								
As at March 31, 2023	**2,733**	**480**	**14,523**	**56,838**	**1,565**	**767**	**1,163**	**78,069**
Acquired under BTA ($)	-	20	373	68	4	-	3	468
Additions	44	11	931	4,949	46	224	84	6,289
Disposals	-	-	-	(101)	-	(72)	-	(173)
As at March 31, 2024	**2,777**	**511**	**15,827**	**61,754**	**1,615**	**919**	**1,250**	**84,653**
Additions	92	35	118	2,626	12	364	47	3,294
Disposals	(3)	-	(6)	(1,282)	(25)	(85)	(10)	(1,411)
As at March 31, 2025	**2,866**	**546**	**15,939**	**63,098**	**1,602**	**1,198**	**1,287**	**86,536**
Depreciation and Impairment:								
As at March 31, 2023	**-**	**59**	**3,457**	**30,977**	**859**	**441**	**858**	**36,651**
Depreciation for the year	-	5	427	4,123	106	71	134	4,866
Disposals	-	-	-	(79)	-	(42)	-	(121)
As at March 31, 2024	**-**	**64**	**3,884**	**35,021**	**965**	**470**	**992**	**41,396**
Depreciation for the year	-	6	449	4,307	109	97	96	5,064
Disposals	-	-	(6)	(1,202)	(24)	(40)	(10)	(1,282)
As at March 31, 2025	**-**	**70**	**4,327**	**38,126**	**1,050**	**527**	**1,078**	**45,178**
Net Block:								
As at March 31, 2024	**2,777**	**447**	**11,943**	**26,733**	**650**	**449**	**258**	**43,257**
As at March 31, 2025	**2,866**	**476**	**11,612**	**24,972**	**552**	**671**	**209**	**41,358**

Notes to the Standalone Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT: (Continued)

(B) Intangible Assets:

		Other Intangible Assets				
	Goodwill	Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	Total
Gross Block:						
As at March 31, 2023	**102**	**10**	**1,580**	**13**	**224**	**1,827**
Acquired under BTA ($)	-	-	1	-	-	1
Additions	-	-	191	-	-	191
Disposals	-	-	-	-	-	-
As at March 31, 2024	**102**	**10**	**1,772**	**13**	**224**	**2,019**
Additions	-	60	341	-	-	401
Disposals	-	-	-	-	(62)	(62)
As at March 31, 2025	**102**	**70**	**2,113**	**13**	**162**	**2,358**
Amortisation and Impairment:						
As at March 31, 2023	**102**	**10**	**1,235**	**11**	**148**	**1,404**
Amortisation for the year	-	-	167	1	10	178
Disposals	-	-	-	-	-	-
As at March 31, 2024	**102**	**10**	**1,402**	**12**	**158**	**1,582**
Amortisation for the year	-	4	160	1	10	175
Disposals	-	-	-	-	(62)	(62)
As at March 31, 2025	**102**	**14**	**1,562**	**13**	**106**	**1,695**
Net Block:						
As at March 31, 2024	**-**	**-**	**370**	**1**	**66**	**437**
As at March 31, 2025	**-**	**56**	**551**	**-**	**56**	**663**

Notes:

1 Buildings include ₹ 0.02 (As at March 31, 2024: ₹ 0.02) Million being the value of unquoted shares held in cooperative societies.

2 Additions during the year include three cars, for use of business purposes of the Company. For administrative purposes the said cars have been registered in the names of the Directors. However since the cars belong to the Company, depreciation and other expenses on the same have been claimed accordingly.

3 As at March 31, 2025 and March 31, 2024, title deeds of freehold lands amounting ₹ 1,002 Million are held in the name of Cadila Healthcare Limited. With effect from February 24, 2022, the Company had changed its name from Cadila Healthcare Limited to Zydus Lifesciences Limited.

The Company is in the process of transferring the title of above properties in its name.

4 Additions of ₹ 404 (Previous Year: ₹ 379) Million in research assets during the year are included in "Additions" under the respective heads of Gross Block of Tangible assets as above.

(*) Includes right of use assets, refer Note-47 for detailed breakup.

($) Refer note- 51.

Notes to the Standalone Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT: (Continued)

(C) Depreciation and Amortisation Expenses:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Depreciation [*]	5,064	4,866
Amortisation	175	178
Total	**5,239**	**5,044**

(D) Capital work-in-progress:

a Summarised Statement for movement in Capital-work-in-progress:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	6,267	7,393
Add: Expenditure incurred during the year	9,126	5,299
Less: Capitalized during the year	(3,508)	(6,425)
Balance as at the end of the year	**11,885**	**6,267**

b Ageing of Capital-work-in-progress:

₹ in Million

		As at March 31, 2025	As at March 31, 2024
Projects in progress:			
i	Less than 1 year	6,651	3,010
ii	1 - 2 years	2,109	2,790
iii	2 - 3 years	2,722	409
iv	More than 3 years	403	58
Total Capital Work-in-Progress		**11,885**	**6,267**

There are no overdue or temporary suspended projects.

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

(E) Intangible Assets under Development:

		As at March 31, 2025	As at March 31, 2024
a	Ageing of Intangible Assets under Development (Less than 1 year)	-	72

There are no intangible asset under development where completion is overdue or cost has exceeded as compared to its original plans.

Notes to the Standalone Financial Statements

NOTE: 4-INVESTMENTS (NON-CURRENT):

₹ in Million

	Face Value (*)	Nos. (**)	As at March 31, 2025	As at March 31, 2024
Investments in Subsidiaries and Joint Ventures:				
Investments in Equity Instruments			42,788	41,560
Investments in Equity Instruments via Optionally Convertible Preference Shares			26,396	27,971
			69,184	**69,531**
Investments - Others:				
Investments in Equity Instruments			881	611
Investments in Preference Shares			9	9
Investments in Bonds			2,449	2,655
Investments in Debentures			27	24
			3,366	**3,299**
Total			**72,550**	**72,830**
A Details of Investments in Subsidiaries and Joint Ventures:				
Investment in Equity Instruments (Valued at cost):				
Subsidiary Companies (Quoted):				
In fully paid-up equity shares of Zydus Wellness Limited	10	36,647,509	12,320	12,320
Subsidiary Companies (Unquoted):				
In fully paid-up equity shares of:				
Zydus Healthcare Limited	100	2,161,742	4,709	4,709
Zydus Animal Health and Investments Limited (12,500,000 shares subscribed on conversion of OCRPS)	10	13,400,000 (900,000)	134	9
Zydus Pharmaceuticals Limited	10	10,000,000	100	100
Zydus Strategic Investments Limited	10	900,000	9	9
Zydus VTEC Limited	10	7,500,000	75	75
LM Manufacturing India Private Limited (₹ 7,750)	10	100	-	-
Dialforhealth Unity Limited (₹ 275,000)	10	27,500	-	-
Dialforhealth Greencross Limited [1]	10	250,000	3	3
Zydus MedTech Private Limited [2]	10	24,500,000 (0)	245	-
Zydus Foundation [3]	10	50,000	-	1
Zydus International Private Limited	€ 1.1251	62,340,456	4,643	4,643
Zydus Lanka (Private) Limited	LKR 10	3,706,304	15	15
Zydus Healthcare Philippines Inc.	PHP 10	24,965,120	351	351
Zydus Worldwide DMCC	AED 1,000	84,480	1,505	1,505
Sentynl Therapeutics Inc. [1]	$0.0001	100	2,038	2,038
Zydus Healthcare (USA) LLC	$1	200,000	12	12
Zydus Pharmaceuticals UK Limited [4]	€ 1	69,900,000	7,076	7,076

Notes to the Standalone Financial Statements

NOTE: 4-INVESTMENTS (NON-CURRENT): (Continued)

₹ in Million

		Face Value (*)	Nos. (**)	As at March 31, 2025	As at March 31, 2024
	Zynext Ventures PTE. LTD. (4,050,000 shares of $1 each and 5,319,150 shares of $ 0.94 each subscribed during the year)	$1	4,300,001 (250,001)	796	21
		$0.94	5,319,150 (0)		
	Zydus Lifesciences Global FZE	AED 1,000	441,400	10,020	10,020
	Zydus Pharmaceuticals (Canada) Inc. (500,000 shares of $1 each and 63,657 shares of $7.8548 each subscribed during the year)	$1	500,000 (0)	84	-
		$7.8548	63,657 (0)		
				31,815	**30,587**
	Less: Provision for impairment [1]			(2,041)	(2,041)
				29,774	**28,546**
	In fully paid-up Common Stock of:				
	Zydus Pharmaceuticals (USA) Inc.	$1	2,300,000	519	519
	Joint Venture Companies (Unquoted):				
	In fully paid-up equity shares of:				
	Zydus Hospira Oncology Private Limited	10	7,500,000	75	75
	Zydus Takeda Healthcare Private Limited	10	10,000,000	100	100
				175	**175**
				42,788	**41,560**
	Investment in Equity Instruments via Optionally Convertible Redeemable Preference Shares (Valued at cost) (Unquoted):				
	Subsidiary Companies:				
	German Remedies Pharmaceuticals Private Limited	100	6,332,797	633	633
	Zydus VTEC Limited	100	29,900,000	2,990	2,990
	Zydus Pharmaceuticals Limited	100	76,000,000 (66,000,000)	7,600	6,600
	Zydus Animal Health and Investments Limited (12,500,000 OCRPS converted to Equity)	10	1,400,850,000 (1,773,350,000)	14,009	17,734
	Zydus MedTech Private Limited	10	115,000,000 (0)	1,150	-
	Zydus Healthcare Philippines Inc.	PHP 10	983,180	14	14
				26,396	**27,971**
B	**Details of Investments - Others:**				
	Investment in Equity Instruments (Quoted) (Valued at fair value through OCI):				
	In fully paid-up Common Stock of:				
	Traws Pharma Inc., USA [5] (₹: 2,360 {as at March 31, 2024: ₹ 24,352})	$0.01	12 (289)	-	-
	Palvella Therapeutics Inc., USA [6]	$0.001	57,177 (1,415,539)	137	22
				137	**22**

Notes to the Standalone Financial Statements

NOTE: 4-INVESTMENTS (NON-CURRENT): (Continued)

₹ in Million

	Face Value (*)	Nos. (**)	As at March 31, 2025	As at March 31, 2024
In fully paid-up Equity Shares of:				
HDFC Bank Limited	1	376,760	689	545
Kokuyo Camlin Limited	1	72,090	7	8
Camlin Fine Chemicals Limited (Formerly known as Camlin Fine Sciences Limited)	1	152,000	25	13
Accelya Solutions India Limited (Formerly known as Accelya Kale Consultants Limited)	10	383	1	1
			722	**567**
Investment in Equity Instruments (Unquoted) (Valued at fair value through OCI):				
In fully paid-up Equity Shares of:				
BEIL Infrastructure Limited (₹ 12,140/-)	10	1,214	-	-
Narmada Clean Tech	10	625,813	6	6
Enviro Infrastructure Company Limited	10	50,000	1	1
GVFL Limited	10	50,000	1	1
Saraswat Co-Op Bank Limited (₹ 20,350/-)	10	2,500	-	-
The Shamrao Vithal Co-Op Bank Limited (₹ 2,500/-)	25	100	-	-
The Green Environment Co-operative Society Limited (₹ 5,000/-)	100	50	-	-
Shivalik Solid Waste Management Limited (₹ 2,00,000/-)	10	20,000	-	-
AMP Energy Green Nine Private Limited	10	1,358,940	14	14
			22	**22**
			881	**611**
Investment in Preference Shares (Valued at amortised cost) (Unquoted):				
In fully paid-up, 1%, Redeemable Cumulative preference shares of Enviro Infrastructure Company Limited	10	900,000	9	9
Investment in Bonds (Quoted):				
Valued at amortised cost:				
In fully paid-up Bonds of:				
9.75% Piramal Enterprises Limited	1,000,000	35	35	35
9.00% Indiabulls Housing Finance Limited	1,000	40,000	40	40
			75	**75**

Notes to the Standalone Financial Statements

NOTE: 4-INVESTMENTS (NON-CURRENT): (Continued)

₹ in Million

				Face Value (*)	Nos. (**)	As at March 31, 2025	As at March 31, 2024
	Valued at fair value through profit or loss:						
	In fully paid-up Bonds of:						
	7.95% Bank of Baroda Perpetual			10,000,000	100	1,000	1,001
	8.75% State Bank of India Perpetual			1,000,000	0 (100)	-	100
	7.73% State Bank of India Perpetual Series II			1,000,000	650	652	654
	9.04% Bank of India Perpetual Series VI			1,000,000	450	452	453
	8.50% Bank of Baroda Perpetual Series XIV			1,000,000	20	20	20
	8.99% Bank of Baroda Perpetual Series XI			1,000,000	0 (50)	-	51
	8.50% State Bank of India Perpetual			1,000,000	0 (50)	-	50
	7.72% State Bank of India Perpetual			10,000,000	25	250	251
						2,374	**2,580**
						2,449	**2,655**
	Investment in Compulsorily Convertible Debentures (Valued at amortised cost) (Unquoted):						
	In fully paid-up Debentures of:						
	AMP Energy Green Nine Private Limited			1,000	122,306	27	24
	Total					**72,550**	**72,830**
C	a	i	Aggregate book value of quoted investments			15,628	15,564
		ii	Market value of quoted investments			64,894	57,322
	b		Aggregate book value of unquoted investments			56,922	57,266
	c		Aggregate amount of impairment in value of investments			2,041	2,041

D Explanations:

a In "Face Value (*)", figures in Indian Rupees unless stated otherwise.

b In "Nos. (**)" figures of previous year are same unless stated in ( ).

(1) In earlier years, the Company had made provision for impairment of ₹ 2,038 Million and ₹ 3 Million in the value of investment in the equity shares of Sentynl Therapeutics Inc. and Dialforhealth Greencross Limited, respectively.

(2) 24,500,000 shares purchased during the year from Zydus Animal Health and Investments Limited, a wholly owned subsidiary.

(3) During the year, the Company has entered into an arrangement with Zydus Family Trust (ZFT), a related party, whereby Zydus Foundation would cease to be subsidiary of the Company from the effective date as per the arrangement. Zydus Foundation is a Section 8 not for profit Company exclusively engaged in charitable activities.

The said arrangement is subject to necessary approvals which are under process at the year end.

(4) The Company had invested in equity shares of Zydus Pharmaceuticals UK Limited, United Kingdom (Zydus UK).

Further, Zydus UK entered into Sale and Purchase Agreement (SPA) on October 31, 2023, for acquisition of 100% stake of LiqMeds Worldwide Limited, LiqMeds Limited, Medsolutions (Europe) Limited, LiqMeds Lifecare Limited and LM Manufacturing Limited (collectively referred as "LiqMeds Group"). The said transaction of acquisition of shares of LiqMeds Group was consummated on November 6, 2023. The cost of acquisition was GBP 68 Million (equivalent to ₹ 7,201 Million) as upfront consideration. Over and above upfront consideration, additional amounts will be paid, in tranches, over subsequent three calendar years, depending on achievement of certain agreed milestones.

(5) Onconova Therapeutics Inc. has changed its name to Traws Pharma Inc. (Traws) with effect from April 3, 2024. Traws has announced reverse common stock split of 1 common stock for every 25 common stocks held as on September 20, 2024.

(6) Pieris Pharmaceuticals Inc. (Pieris) has announced reverse stock split of 1 common stock for every 80 common stocks held as on April 23, 2024. Pieris has merged with Palvella Therapeutics Inc. (Palvella) with exchange ratio of 0.30946 common stock of Pieris common stock for each common stock of Palvella.

Notes to the Standalone Financial Statements

NOTE: 5-LOANS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Loans to Related Parties [*]	41,190	36,406
Total	**41,190**	**36,406**

[*] Details of loans pursuant to Section 186(4) of Companies Act, 2013 (#):

Name of the party and relationship with the party to whom loan given:

₹ in Million

		As at March 31, 2025			As at March 31, 2024		
		Non-Current	Current (Refer note-13)	Maximum outstanding balance	Non-Current	Current (Refer note-13)	Maximum outstanding balance
A	**Subsidiary Companies:**						
a	Zydus Worldwide DMCC	7,918	-	9,626	9,397	-	13,466
b	Zydus International Private Limited	11,690	598	12,288	11,994	-	11,994
c	Zydus Pharmaceuticals (USA) Inc.	9,396	-	14,094	13,758	-	13,758
d	Dialforhealth Unity Limited	2	-	2	2	-	2
e	Sentynl Therapeutics Inc.	10,251	-	10,251	1,251	-	1,251
f	LM Manufacturing India Private Limited	4	-	4	4	-	4
g	Zydus Pharmaceuticals UK Limited	221	-	221	-	-	-
h	Zydus Lifesciences Global FZE	1,708	-	1,708	-	-	-
Total		**41,190**	**598**		**36,406**	**-**	

(#) Loans which are outstanding at the end of the respective financial year.

Notes:

a All the above loans have been given for working capital and business purposes.

b All the above loans are repayable within a period of 5 years.

NOTE: 6-OTHER FINANCIAL ASSETS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
[Unsecured, Considered Good unless otherwise stated]		
Security Deposits	151	142
Fixed deposits with maturity more than 12 months	1	1
Others	-	1
Total	**152**	**144**

Notes to the Standalone Financial Statements

NOTE: 7-OTHER NON-CURRENT ASSETS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances - Considered Good	1,249	1,082
Capital Advances - Credit impaired	67	67
	1,316	**1,149**
Less: Allowances for credit impaired	67	67
	1,249	**1,082**
Balances with Statutory Authorities	120	244
Others	88	82
Total	**1,457**	**1,408**

NOTE: 8-ASSETS FOR CURRENT TAX (NET):

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Advance payment of Tax [Net of provision for taxation of ₹ 15,005 {as at March 31, 2024: ₹ 15,610} Million]	767	669
Total	**767**	**669**

NOTE: 9-INVENTORIES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	8,314	6,949
Work-in-progress	4,722	4,198
Finished Goods	3,929	3,395
Stock-in-Trade	1,575	1,422
Packing Materials	981	909
Total	**19,521**	**16,873**
The above includes Goods in transit as under:		
Raw Materials	136	213
Packing Materials	12	28
Amount recognised as an expense in Statement of profit and loss resulting from write-down of inventories:		
Net off reversal of write-down	17	(12)

For details of inventories pledged as security, refer Note-22.

In respect of goods where provision had been made for expected returns within the expiry period, the Company recognises an asset, i.e., right to the returned saleable goods (included in inventories) for the products expected to be returned in saleable condition. The Company initially measures this asset at the original carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of returned goods. The Company updates the measurement of the asset recorded for any revision to its expected level of returns, as well as any further decrease in value of the returned products. The value of such goods is ₹ 75 (as at March 31, 2024: ₹ 45) Million.

Notes to the Standalone Financial Statements

NOTE: 10-INVESTMENTS (CURRENT):

₹ in Million

	Nos. (*)	As at March 31, 2025	As at March 31, 2024
Investment in Mutual Funds (Quoted) (Valued at fair value through profit or loss):			
ICICI Prudential Overnight Fund - Direct Plan - Growth Option	50,911.866 (0)	70	-
Investment in others (Quoted):			
Valued at amortised cost:			
Commercial Papers		10,721	-
Certificate of Deposits		5,749	-
Inter Corporate Deposits		2,011	-
		18,481	**-**
Valued at fair value through profit or loss:			
Government Securities (**)		23,814	-
Total		**42,365**	**-**

(*) In "Nos." figures of previous year are stated in ( ).

(**) Includes ₹ 21,667 (as at March 31, 2024: Nil) Million given as collateral security for borrowings.

NOTE: 11-TRADE RECEIVABLES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Secured - Considered good	1,521	943
Unsecured - Considered good	80,575	46,703
	82,096	**47,646**
Less: Allowances for credit losses	478	245
Total	**81,618**	**47,401**

Ageing of Trade Receivables :

₹ in Million

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
	As at March 31, 2025						
Undisputed – considered good	69,791	9,611	1,499	857	54	284	82,096
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	**69,791**	**9,611**	**1,499**	**857**	**54**	**284**	**82,096**
Less: Allowances for credit losses							(478)
Trade Receivables							**81,618**

Notes to the Standalone Financial Statements

NOTE: 11-TRADE RECEIVABLES: (Continued)

₹ in Million

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
	As at March 31, 2024						
Undisputed – considered good	42,297	3,898	1,017	122	181	131	47,646
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	**42,297**	**3,898**	**1,017**	**122**	**181**	**131**	**47,646**
Less: Allowances for credit losses							(245)
Trade Receivables							**47,401**

NOTE: 12-CASH AND BANK BALANCES:

₹ in Million

		As at March 31, 2025	As at March 31, 2024
A	**Cash and Cash Equivalents:**		
	Balances with Banks	1,028	1,080
	Cash on Hand	2	1
	Total	**1,030**	**1,081**
	a Company keeps fixed deposits with the Nationalised/ Scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds.		
	b There are no amounts of cash and cash equivalent balances held by the entity that are not available for use.		
B	**Bank Balances other than Cash and Cash Equivalents:**		
	Unclaimed dividend accounts	36	41
	Fixed deposits	375	3,022
	Total	**411**	**3,063**

Notes to the Standalone Financial Statements

NOTE: 13-LOANS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
[Unsecured, Considered Good]		
Loans to related parties [*]	1,251	1,048
Total	**1,251**	**1,048**
[*] Details of Loans to Related Parties - Wholly owned Subsidiary Companies are as under:		
a Zydus International Private Limited [including Interest Receivable on loan ₹ 295 {Previous year: ₹ 999} Million]	893	999
b Zydus Worldwide DMCC [including Interest Receivable on loan ₹ 345 {Previous year: ₹ 49} Million]	345	49
c Zydus Pharmaceuticals UK Limited [including Interest Receivable on loan ₹ 7 {Previous year: ₹ Nil} Million]	7	-
d Zydus Lifesciences Global FZE [including Interest Receivable on loan ₹ 6 {Previous year: ₹ Nil} Million]	6	-
	1,251	**1,048**

Notes:

a All the above loans are repayable within a period of 1 year.

NOTE: 14-OTHER CURRENT FINANCIAL ASSETS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
[Unsecured, Considered Good]		
Forward Contract value related to investment in a Joint Venture	-	2,803
GST Refund receivable	735	903
Interest Receivable	102	110
Production Linked Incentive receivable [Refer Note-30]	3,053	2,053
Derivative Financial Asset	178	-
Others	79	104
Total	**4,147**	**5,973**

NOTE: 15-OTHER CURRENT ASSETS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
[Unsecured, Considered Good, unless otherwise stated]		
Balances with Statutory Authorities	1,016	2,013
Advances to Suppliers - Considered Good	909	1,015
Advances to Suppliers - Credit impaired	201	193
	1,110	**1,208**
Less: Allowances for credit impaired	201	193
	909	**1,015**
Export Incentive Receivables	111	41
Prepaid Expenses	480	523
Advance CSR contribution [Refer Note-37]	287	81
Others	1	1
Total	**2,804**	**3,674**

Notes to the Standalone Financial Statements

NOTE: 16-EQUITY SHARE CAPITAL:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Authorised:		
1,725,000,000 (as at March 31, 2024: 1,725,000,000) Equity Shares of ₹ 1/- each	1,725	1,725
	1,725	**1,725**
Issued, Subscribed and Paid-up:		
1,006,233,990 (as at March 31, 2024: 1,006,233,990) Equity Shares of ₹ 1/- each, fully paid-up	1,006	1,006
Total	**1,006**	**1,006**

		As at March 31, 2025	As at March 31, 2024
A	**The reconciliation in number of Equity Shares is as under:**		
	Number of shares at the beginning of the year	1,006,233,990	1,012,204,139
	Less : Extinguished pursuant to buyback of shares ($)	-	(5,970,149)
	Number of shares at the end of the year	1,006,233,990	1,006,233,990
B	The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
C	**Details of Shareholders holding more than 5% of aggregate Equity Shares of ₹ 1/- each, fully paid:**		
	a Zydus Family Trust		
	Number of Shares	754,313,343	754,313,343
	% to total share holding	74.96%	74.96%

D Equity Shares held by the promoters/ promoter group of the Company:

	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
	As at March 31, 2025			
1	Zydus Family Trust	754,313,343	74.964	-
2	Pankaj R. Patel	44,326	0.004	-
3	Pankaj Ramanbhai Patel HUF	29,550	0.003	-
4	Pripan Investment Private Limited	17,730	0.002	-
5	Taraben Patel Family Will Trust	14,775	0.001	-
6	Pritiben Pankajbhai Patel	14,775	0.001	-
7	Dr. Sharvil P. Patel	14,775	0.001	-
8	Shivani Pankajbhai Patel	14,775	0.001	-
9	Arati Rajiv Mehta	76,087	0.008	-
10	Ayushi Rajiv Mehta	17,727	0.002	-
11	Jasodaben Babubhai Patel	41,577	0.004	-
12	Ritaben Yatin Desai	24,874	0.002	-

Notes to the Standalone Financial Statements

NOTE: 16-EQUITY SHARE CAPITAL: (Continued)

	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
		As at March 31, 2024		
1	Zydus Family Trust	754,313,343	74.964	0.000010
2	Pankaj R. Patel	44,326	0.004	0.000004
3	Pankaj Ramanbhai Patel HUF	29,550	0.003	0.000002
4	Pripan Investment Private Limited	17,730	0.002	0.000001
5	Taraben Patel Family Will Trust	14,775	0.001	0.000001
6	Pritiben Pankajbhai Patel	14,775	0.001	0.000001
7	Dr. Sharvil P. Patel	14,775	0.001	0.000001
8	Shivani Pankajbhai Patel	14,775	0.001	0.000001
9	Arati Rajiv Mehta	76,087	0.008	0.000006
10	Ayushi Rajiv Mehta	17,727	0.002	0.000010
11	Jasodaben Babubhai Patel	41,577	0.004	0.000019
12	Ritaben Yatin Desai	24,874	0.002	0.000002

[$] The Board of Directors, at its meeting held on February 9, 2024 approved a proposal to buyback 5,970,149 fully paid-up equity shares amounting to ₹ 6,000 Million [Buyback Size, excluding transaction costs and applicable taxes] at a price of ₹ 1,005 per share from the eligible equity shareholders. The buyback was offered to all eligible equity shareholders including the promoters and promoter group of the Company on proportionate basis through the "Tender offer" route in accordance with Securities and Exchange Board of India [Buyback of Securities] Regulations, 2018, as amended and other applicable laws. The Buyback period was from February 9, 2024 to March 14, 2024. The Company had bought back and extinguished 5,970,149 equity shares, comprising of 0.59% of pre-buyback paid up equity share capital of the Company on March 15, 2024. The buyback resulted in a cash outflow of ₹ 7,250 Million [including applicable taxes and transaction costs]. The Company has utilized its General Reserve and Retained Earnings for Buyback of shares. In accordance with Section 69 of the Companies Act, 2013, the Company has credited "Capital Redemption Reserve" with an amount of ₹ 6 Million, being amount equivalent to the face value of the Equity Shares bought back as an appropriation from General Reserve.

NOTE: 17-OTHER EQUITY:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Capital Reserve:		
Balance as per last Balance Sheet	20,380	20,379
Add: Adjustment pursuant to BTA [Refer Note-51]	-	1
	20,380	**20,380**
Capital Redemption Reserve:		
Balance as per last Balance Sheet	18	12
Add: Transfer from General Reserve pursuant to buyback of shares [Refer Note-16 $]	-	6
	18	**18**
Other Reserves:		
International Business Development Reserve: [*]		
Balance as per last Balance Sheet	2,000	2,000

Notes to the Standalone Financial Statements

NOTE: 17-OTHER EQUITY: (Continued)

₹ in Million

	As at March 31, 2025	As at March 31, 2024
General Reserve: [**]		
Balance as per last Balance Sheet	-	6,893
Less: Utilised for buyback of shares [Refer Note-16 $]	-	(5,684)
Less: Transferred to Capital Redemption Reserve pursuant to buyback of shares [Refer Note-16 $]	-	(6)
Less: Tax and other payments [transaction costs] on buyback of shares [Refer Note-16 $]	-	(1,203)
	-	**-**
Fair Value through Other Comprehensive Income [FVTOCI] Reserve: [#]		
Balance as per last Balance Sheet	285	424
Add:/ [Less]: Credited/ [Debited] during the year	270	(139)
	555	**285**
Retained Earnings:		
Balance as per last Balance Sheet	133,476	105,674
Add: Profit for the year	57,749	34,415
	191,225	**140,089**
Less: Items of other Comprehensive income recognised directly in Retained Earnings:		
Re-measurement [losses] on defined benefit plans [net of tax]	(206)	(183)
Less: Dividend	(3,019)	(6,073)
Less: Tax and other payments [transaction costs] on buyback of shares [Refer Note-16 $]	-	(357)
Less: Adjustment pursuant to redemption of investment in preference shares of a joint venture	(58)	-
Balance as at the end of the year	**187,942**	**133,476**
Total	**210,895**	**156,159**

[*] International Business Development Reserve was created pursuant to Composite Scheme of Arrangement approved by the Hon'ble High Court of Gujarat and its utilization shall be as provided in the scheme.

[**] General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.

[#] The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

NOTE: 18-BORROWINGS:

₹ in Million

	Non-current portion		Current Maturities	
	As at March 31		As at March 31	
	2025	2024	2025	2024
From Related Parties [Unsecured]	28,621	55,554	24,571	-
Total	**28,621**	**55,554**	**24,571**	**-**

A Terms of Repayment for Unsecured Borrowings:

a Loans from Related Parties:

i Loan of ₹ 27,996 Million from one of the subsidiary companies will be repaid within 3 years and ₹ 13,122 Million will be repaid within 5 years from the date of first disbursement. Interest on loan is payable on half yearly basis. The outstanding amount as at March 31, 2025 is ₹ 41,118 Million [as at March 31, 2024: 32,834].

Notes to the Standalone Financial Statements

NOTE: 18-BORROWINGS: (Continued)

ii Loan of ₹ 1,000 Million from one of the subsidiary companies will be repaid within 3 years from the date of first disbursement Interest on loan is payable on half yearly basis. The outstanding amount as at March 31, 2025 is ₹ 1,000 Million (as at March 31, 2024: 1,000).

iii Loan of ₹ 11,074 Million from one of the subsidiary companies will be repaid within 3 years from the date of first disbursement. Interest on loan is payable on half yearly basis. The outstanding amount as at March 31, 2025 is ₹ 11,074 Million (as at March 31, 2024: 21,720).

The interest rates on the above loans are in the range of Treasury Bill/ G Sec plus 35 to 150 bps.

NOTE: 19-OTHER FINANCIAL LIABILITIES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Security Deposits	287	246
Total	**287**	**246**

NOTE: 20-PROVISIONS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits	2,369	1,851
Total	**2,369**	**1,851**

Defined benefit plan and long term employment benefit

A General description:

Leave wages (Long term employment benefit):

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance (Cash Accumulation) Scheme. The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised (net of the fair value of plan assets as at the balance sheet date) at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

Gratuity (Defined benefit plan):

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Notes to the Standalone Financial Statements

NOTE: 20-PROVISIONS: (Continued)

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

₹ in Million

		As at March 31					
		2025			2024		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
B	**Change in the present value of the defined benefit obligation:**						
	Opening obligation	212	2,060	2,466	178	1,737	2,001
	Transfer in/ (out)	-	(3)	5	-	12	40
	Interest cost	14	127	167	12	110	139
	Current service cost	21	332	301	16	298	234
	Benefits paid	(5)	(289)	(189)	(5)	(247)	(166)
	Actuarial (gains)/ losses on obligation due to:						
	Experience adjustments	8	150	129	9	131	184
	Change in financial assumptions	14	63	116	2	19	34
	Closing obligation	**264**	**2,440**	**2,995**	**212**	**2,060**	**2,466**
C	**Change in the fair value of plan assets:**						
	Opening fair value of plan assets	-	151	2,123	-	141	1,762
	Transfer in/ (out)	-	-	(5)	-	-	(6)
	Expected return on plan assets	-	11	152	-	10	128
	Return on plan assets excluding amounts included in interest income	-	(2)	(13)	-	(2)	(16)
	Contributions by employer	-	-	499	-	2	421
	Benefits paid	-	-	(189)	-	-	(166)
	Actuarial (losses)/ gains	-	-	-	-	-	-
	Closing fair value of plan assets	**-**	**160**	**2,567**	**-**	**151**	**2,123**
	Total actuarial (losses)/ gains to be recognised	**(22)**	**(213)**	**(245)**	**(11)**	**(150)**	**(218)**
D	**Actual return on plan assets:**						
	Expected return on plan assets	-	11	152	-	10	128
	Actuarial (losses)/ gains on plan assets	-	-	-	-	-	-
	Actual return on plan assets	**-**	**11**	**152**	**-**	**10**	**128**

Notes to the Standalone Financial Statements

NOTE: 20-PROVISIONS: (Continued)

₹ in Million

		As at March 31					
		2025			2024		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
E	**Amount recognised in the balance sheet:**						
	Liabilities/ [Assets] at the end of the year	264	2,440	2,995	212	2,060	2,466
	Fair value of plan assets at the end of the year	-	(160)	(2,567)	-	(151)	(2,123)
	Difference	264	2,280	428	212	1,909	343
	Unrecognised past service cost	-	-	-	-	-	-
	Liabilities/ [Assets] recognised in the Balance Sheet	**264**	**2,280**	**428**	**212**	**1,909**	**343**
F	**Expenses/ (Incomes) recognised in the Statement of Profit and Loss:**						
	Current service cost	21	332	301	16	298	234
	Interest cost on benefit obligation	14	127	167	12	110	139
	Expected return on plan assets	-	(11)	(152)	-	(10)	(128)
	Return on plan assets excluding amounts included in interest income	-	2	-	-	2	-
	Net actuarial [gains]/ losses in the year	22	213	-	11	150	-
	Amount included in "Employee Benefits Expense"	**57**	**663**	**316**	**39**	**550**	**245**
	Return on plan assets excluding amounts included in interest income	-	-	13	-	-	16
	Net actuarial [gains]/ losses in the year	-	-	245	-	-	218
	Amounts recognized in OCI	**-**	**-**	**258**	**-**	**-**	**234**
G	**Movement in net liabilities recognised in Balance Sheet:**						
	Opening net liabilities	212	1,909	343	178	1,596	239
	Transfer in/ (out) obligations	-	(3)	10	-	12	46
	Expenses as above [P & L Charge]	57	663	316	39	550	245
	Employer's contribution	-	-	(499)	-	(2)	(421)
	Amount recognised in OCI	-	-	258	-	-	234
	Benefits Paid	(5)	(289)	-	(5)	(247)	-
	Liabilities/ [Assets] recognised in the Balance Sheet	**264**	**2,280**	**428**	**212**	**1,909**	**343**
H	**Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:**						
	Discount rate	6.65%	6.65%	6.65%	7.20%	7.20%	7.20%
	[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations]						
	Annual increase in salary cost	12% for next 2 year, 9% thereafter			12% for next 2 year, 9% thereafter		
	[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]						
	Withdrawal rates [p.a.]	40% at younger ages reducing to 1% at older ages			40% at younger ages reducing to 1% at older ages		
	[The estimates of level of attrition is based on broad economic outlook, type of sector the Company operates in and measures taken by the management to retain/ relieve the employees]						

Notes to the Standalone Financial Statements

NOTE: 20-PROVISIONS: (Continued)

₹ in Million

		As at March 31					
		2025			2024		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
I	**The categories of plan assets (India) as a % of total plan assets are:**						
	Insurance plan	0.00%	100.00%	99.00%	0.00%	100.00%	100.00%
	Bank Balance	0.00%	0.00%	1.00%	0.00%	0.00%	0.00%

The expected contributions for Defined Benefit Plan for the next financial year will be ₹ 325 Million (Previous year: ₹ 274 Million).

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6.94 years (as at March 31, 2024: 6.91 years).

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumptions is shown below:

₹ in Million

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31					
	2025	2024	2025	2024	2025	2024
Impact on obligation:						
Discount rate increase by 0.5%	(8)	(5)	(57)	(46)	(105)	(84)
Discount rate decrease by 0.5%	8	7	60	50	113	90
Annual salary cost increase by 0.5%	8	7	58	48	109	87
Annual salary cost decrease by 0.5%	(7)	(5)	(56)	(46)	(103)	(82)
Withdrawal rate increase by 10%	(10)	(7)	(39)	(31)	(33)	(22)
Withdrawal rate decrease by 10%	11	9	43	35	37	24

The following payments are expected contributions to the defined benefit plan and long term employment benefit in future years:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	1,068	938
Between 2 and 5 years	2,383	2,007
Between 6 and 10 years	2,037	1,771
Total expected payments	**5,488**	**4,716**

Notes to the Standalone Financial Statements

NOTE: 21-DEFERRED TAX:

A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:

₹ in Million

	As at March 31 2023	Impact for the previous year	As at March 31, 2024	Impact for the current year	As at March 31, 2025
Deferred Tax Liabilities:					
Property, Plant and Equipment	2,899	(681)	2,218	1,135	3,353
Fair Value Adjustment - Financial Instruments	164	-	164	(104)	60
	3,063	**(681)**	**2,382**	**1,031**	**3,413**
Deferred Tax Assets:					
Employee benefits/ Payable to Statutory Authorities	891	(93)	798	461	1,259
Inventory and related items	71	(16)	55	43	98
Receivables	105	(10)	95	94	189
Unabsorbed short term capital loss	53	(15)	38	(38)	-
Unabsorbed long term capital loss	-	813	813	(402)	411
	1,120	**679**	**1,799**	**158**	**1,957**
Net Deferred Tax Liabilities	**1,943**	**(1,360)**	**583**	**873**	**1,456**

B The Net Deferred Tax charge of ₹ 873 Million [Previous Year reversal of ₹ 1,360 Million] has been recognised in the Statement of Profit and Loss.

C The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

D The Company has long term capital losses of ₹ 2,821 [as at March 31, 2024: 3,702] Million which are available for offset for eight years against future long term capital gains of the Company. These losses will expire in March 2032.

E For the financial year ended March 31, 2024, the Company had computed the provision for income tax assuming that the option permitted under section 115BAA of the Income Tax Act, 1961 would be exercised while filing the income tax return for the said financial year. Accordingly, the Company had recognised provision for income tax for the year ended March 31, 2024 and re-measured its deferred tax assets and liabilities basis the rate prescribed in the said section. The final decision with respect to the election of the said option under section 115BAA of the Income Tax Act, 1961 was required to be taken by the Company at the time of filing the income tax return for the year ended March 31, 2024. However, during the year, while filing the income tax return for the financial year ended March 31, 2024, the Company has decided not to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 and has filed the return as per the normal provisions of the Income Tax Act, 1961. Accordingly, the Company has re-measured its tax provisions, the full impact of this change has been recognised in the statement of Profit and Loss for the year ended March 31, 2025 [Refer Note-38 A].

Notes to the Standalone Financial Statements

NOTE: 22-BORROWINGS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Loans repayable on Demand:		
Working Capital Loans from Banks (Secured) (*)	-	-
Working Capital Loans from Banks (Unsecured) (**)	8,700	6,181
Loan from others (Secured) (***)	21,495	-
Current Maturities of Long Term Debt (Refer Note-18)	24,571	-
Total	**54,766**	**6,181**

(*) Working Capital Loans which are repayable on demand, are secured by hypothecation of inventories of all types, save and except stores and spares relating to plant and machineries (consumable stores and spares), including goods in transit, bills receivables and book debts. The value of such current assets is ₹ 101,139 (as at March 31, 2024: ₹ 64,274) Million. Quarterly statements, including revised statements, of current assets filed by the Company with bank are in agreement with the books of accounts.

(**) Packing Credit loans in ₹ (PCRE) are payable during August, 2025 to September, 2025.

The outstanding amount of loans as at March 31, 2025 is ₹ 8,700 (as at March 31, 2024: ₹ 6,181) Million.

(***) Loans from others of ₹ 21,495 (as at March 31, 2024: Nil) Million are secured by Government Securities.

The interest rates on the above loans are in the range of 3 Month Treasury Bill Plus 25 bps to 35 bps and overnight interbank rate.

NOTE: 23-TRADE PAYABLES:

₹ in Million

		As at March 31, 2025	As at March 31, 2024
Dues to Micro and Small Enterprises [*]		321	161
Dues to other than Micro and Small Enterprises		11,995	10,957
Total		**12,316**	**11,118**
(*)	**Disclosure in respect of Micro and Small Enterprises:**		
A	Principal amount remaining unpaid to any supplier as at year end	321	161
B	Interest due thereon	-	-
C	Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	9	5
D	Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
E	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F	Amount of further interest remaining due and payable in succeeding years	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises on the basis of information available with the Company.

Notes to the Standalone Financial Statements

NOTE: 23-TRADE PAYABLES: (Continued)

Ageing of Trade Payables : ₹ in Million

Particulars	Not due	Outstanding from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2025						
Undisputed Micro and Small Enterprises (MSME)	153	167	1	-	-	321
Undisputed Others	6,626	4,535	216	202	416	11,995
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	**6,779**	**4,702**	**217**	**202**	**416**	**12,316**
As at March 31, 2024						
Undisputed Micro and Small Enterprises (MSME)	156	5	-	-	-	161
Undisputed Others	6,123	4,089	238	155	352	10,957
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	**6,279**	**4,094**	**238**	**155**	**352**	**11,118**

NOTE: 24-OTHER FINANCIAL LIABILITIES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	1,648	1,816
Accrued Expenses	2,354	1,860
Payable for Capital Goods	1,059	703
Unpaid Dividends (*)	36	41
Derivative Financial Liability	191	-
Total	**5,288**	**4,420**

(*) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTE: 25-OTHER CURRENT LIABILITIES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Advances from Customers	547	553
Payable to Statutory Authorities	483	537
Others	57	64
Total	**1,087**	**1,154**

Notes to the Standalone Financial Statements

NOTE: 26-PROVISIONS:

₹ in Million

			As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits			629	641
Provision for claims for product expiry and return of goods [*]			550	413
Total			**1,179**	**1,054**
[*]	Provision for claims for product expiry and return of goods:			
a	Provision for product expiry claims and return of goods in respect of products sold during the year is made based on the management's estimates considering the estimated stock lying with retailers. The Company does not expect such claims to be reimbursed by any other party in future.			
b	The movement in such provision is stated as under:			
	i	Carrying amount at the beginning of the year	413	343
	ii	Additional provision made during the year	137	70
	iii	Carrying amount at the end of the year	550	413

NOTE: 27-CURRENT TAX LIABILITIES (NET):

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Provision for Taxation [Net of advance payment of tax of ₹ 32,197 {as at March 31, 2024: ₹ 18,506} Million] [Refer Note 21 D]	3,864	1,474
Total	**3,864**	**1,474**

NOTE: 28-CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

₹ in Million

			As at March 31, 2025	As at March 31, 2024
A	**Contingent Liabilities:**			
a	**Claims against the Company not acknowledged as debts**		116	116
	-	Includes in respect of Amalgamated {*} Companies	2	2
b	In respect of corporate guarantees given by the Company for the contingent consideration payable by a subsidiary company {Refer Note- 4 (4)}		12,403	11,797
c	**Other money for which the company is contingently liable:**			
	i	In respect of the demands raised by the Goods and Service Tax, Central Excise, State Excise, Customs & Service Tax Authority	721	678
		- Net of advance of	63	54
	ii	In respect of the demands raised by the Ministry of Chemicals & Fertilizers, Govt. of India under Drug Price Control Order, 1979/ 1995 for difference in actual price and price of respective bulk drug allowed while fixing the price of certain formulations and disputed by the Company, which the Company expects to succeed based on the legal advice	79	79
		- Net of advance of	67	67
		- Includes in respect of Amalgamated {*} Companies	5	5

Notes to the Standalone Financial Statements

NOTE: 28-CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

₹ in Million

			As at March 31, 2025	As at March 31, 2024
	iii	In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/ Courts	589	213
		- Net of advance of	272	71
	iv	In respect of Sales Tax matters pending before appellate authorities/ Court which the Company expects to succeed, based on decisions of Tribunals/ Courts	24	24
		- Net of advance of	5	5
	v	Letters of Credit for Imports	11	-
	vi	The Company has imported certain capital equipment at concessional rate of custom duty under "Export Promotion of Capital Goods Scheme" of the Central Government. The Company has undertaken an incremental export obligation to the		
		- extent of US $ 8 (Previous Year: 1) Million		
		- equivalent to approx. ₹ 675 (Previous Year: 94) Million		
		to be fulfilled during a specified period as applicable from the date of imports. The unprovided liability towards custom duty payable thereon in respect of unfulfilled export obligations where the specified period to fulfil the obligation has not expired	111	15
		[*] represents contingent liabilities taken over by the Company under the Scheme of Arrangement and Amalgamation of Cadila Laboratories Limited and erstwhile Cadila Chemicals Limited, Cadila Antibiotics Limited, Cadila Exports Limited and Cadila Veterinary Private Limited with the Company w.e.f. June 1, 1995.		
B	**Legal proceedings:**			
	The Company and/or its subsidiaries are involved in various legal proceedings including product liabilities, employment claims, contracts and other legal and regulatory matters relating to the conduct of its business. The Company believes it has meritorious defences to these lawsuits.			
	The Company does not expect any reimbursements in respect of the above contingent liabilities.			
C	**Commitments:**			
	a	Estimated amount of contracts remaining to be executed on capital account and not provided for	3,623	4,581
		- Net of advance of	734	883

NOTE: 29-PROPOSED DIVIDEND:

The Board of Directors, at its meeting held on May 20, 2025, recommended the final dividend of ₹ 11/- per equity share of ₹ 1/- each. The recommended dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

Notes to the Standalone Financial Statements

NOTE: 30-REVENUE FROM OPERATIONS:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Sale of Products	145,901	103,176
Other Operating Revenues:		
Production Linked Incentive income [*]	2,628	1,894
Export Incentives	842	794
Contract Manufacturing and Processing income	702	925
Miscellaneous Income	1,090	1,398
	5,262	**5,011**
Total	**151,163**	**108,187**
[*] The Company is eligible for claiming benefits under the Production Linked Incentive (PLI) Scheme of the Government of India. Based on the estimated claims to be submitted by the Company, the Company has recognised the PLI income.		
Pursuant to Ind AS 115 "Revenue from Contracts with Customers" reconciliation of revenue recognised in the statement of profit and loss with the contracted price is under:		
Revenue as per contracted price	146,033	103,241
Less:		
Provision for Expiry and Sales Return	(117)	(75)
Discounts/ Price Reduction/ Rebates/ Other adjustments	(15)	10
	(132)	**(65)**
Revenue from contract with customers	**145,901**	**103,176**

NOTE: 31-OTHER INCOME:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	2,856	3,221
Interest Income on Debt Instruments	371	-
Net Loss on Fair Valuation of Swap Contract	(191)	-
Gain/ (Loss) on valuation of Forward Contract value related to investment in a Joint Venture mandatorily measured at FVTPL	(60)	976
	2,976	**4,197**
Dividend Income:		
From Investments designated as at FVTOCI	8	10
From Subsidiaries and Joint Ventures	3,004	6,013
	3,012	**6,023**
Net Gain on Investments mandatorily measured at FVTPL	282	142
Net Gain on sale of Property, Plant and Equipment and Intangible Assets (Net of loss of ₹ 37 {Previous year:17} Million)	349	136
Other Non-operating Income	343	350
Total	**6,962**	**10,848**

Notes to the Standalone Financial Statements

NOTE: 32-COST OF MATERIALS CONSUMED:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Raw Materials:		
Stock at commencement	6,949	8,602
Add: Purchases	23,609	22,731
	30,558	**31,333**
Less: Stock at close	8,314	6,949
	22,244	**24,384**
Packing Materials consumed	5,627	5,630
Total	**27,871**	**30,014**

NOTE: 33-PURCHASES OF STOCK-IN-TRADE:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Purchases of Stock-in-Trade	3,509	2,832
Total	**3,509**	**2,832**

NOTE: 34-CHANGES IN INVENTORIES:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Stock at commencement:		
Work-in-progress	4,198	3,170
Finished Goods	3,395	3,195
Stock-in-Trade	1,422	1,333
	9,015	**7,698**
Less: Stock at close:		
Work-in-progress	4,722	4,198
Finished Goods	3,929	3,395
Stock-in-Trade	1,575	1,422
	10,226	**9,015**
Total	**(1,211)**	**(1,317)**

NOTE: 35-EMPLOYEE BENEFITS EXPENSE:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	15,946	13,655
Contribution to provident and other funds [*]	896	734
Defined benefit plan expenses [Refer Note-20]	316	245
Staff welfare expenses	464	441
Total	**17,622**	**15,075**

Notes to the Standalone Financial Statements

NOTE: 35-EMPLOYEE BENEFITS EXPENSE: (Continued)

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Above expenses include:		
Research related expenses:		
Salaries and wages	2,786	2,376
Contribution to provident and other funds	241	191
Staff welfare expenses	56	51
Total	**3,083**	**2,618**
[*] The Company's contribution towards defined contribution plan	796	677
The Company makes Provident Fund contributions to defined contribution plans for qualifying employees, as specified under the law. The contributions are paid to the Provident Fund Trust set up by the Company or to the respective Regional Provident Fund Commissioner under the Pension Scheme. The Company is generally liable for annual contribution and any shortfall in the trust fund assets based on the government specified minimum rate of return and recognises such contribution and shortfall, if any, as an expense in the year it is incurred.		
As at March 31, 2025 based on the financial position of the Trust the Company is not required to provide for any shortfall.		

NOTE: 36-FINANCE COST:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense [*]	4,613	3,882
Net Loss on foreign currency transactions and translation	-	4
Bank commission & charges	26	21
Total	**4,639**	**3,907**
[*] The break up of interest expense into major heads is given below:		
On term loans	-	8
On short term loans	376	168
On lease	4	6
On loans from related parties [Refer Note-41]	3,920	3,700
On others	313	-
Total	**4,613**	**3,882**

Notes to the Standalone Financial Statements

NOTE: 37-OTHER EXPENSES:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Research Materials	1,823	1,513
Analytical Expenses	1,463	1,088
Consumption of Stores and spare parts	2,637	2,138
Power & fuel	2,862	2,982
Rent	19	15
Repairs to Buildings	223	181
Repairs to Plant and Machinery	956	798
Repairs to Others	301	183
Insurance	597	481
Rates and Taxes (excluding taxes on income)	35	33
Processing Charges	280	172
Commission to Directors	22	21
Traveling Expenses	974	766
Legal and Professional Fees (*)	2,051	1,404
Commission on sales	735	717
Freight and forwarding on sales	3,016	2,185
Representative Allowances	114	106
Other marketing expenses	2,958	1,824
Allowances of credit losses:		
Trade receivables written off	5	-
Expected credit loss	233	215
Less: Transferred from balance of expected credit loss	-	(31)
	238	**184**
Allowances for Doubtful Advances:		
Doubtful advances written off	144	-
Allowances for credit impaired	8	25
	152	**25**
Less: Transferred from balance of allowances for credit impaired	-	(3)
	152	**22**
Directors' fees	10	7
Donations	37	98
Miscellaneous Expenses (#)	6,602	4,825
Total	**28,105**	**21,743**

Notes to the Standalone Financial Statements

NOTE: 37-OTHER EXPENSES: (Continued)

₹ in Million

				Year ended March 31, 2025	Year ended March 31, 2024
Above expenses include Research related expenses as follows:					
			Research Materials	1,823	1,513
			Analytical expenses	1,045	936
			Consumption of Stores and spare parts	347	439
			Power & Fuel	164	176
			Repairs to Buildings	16	24
			Repairs to Plant and Machinery	121	144
			Repairs to Others	13	12
			Insurance	8	13
			Traveling Expenses	45	46
			Legal and Professional fees	488	497
			Net Loss on disposal of Property, Plant and Equipment	1	5
			Miscellaneous Expenses (excluding Depreciation of ₹ 425 {Previous Year: ₹ 385} Million)	3,521	2,137
Total				**7,592**	**5,942**
Research related Net Loss on foreign currency transactions and translation				29	17
(*)	**Legal and Professional Fees include:**				
	Payment to the Statutory Auditors (excluding GST):				
	i	-	As Auditor	18	12
		-	For Other Services	4	5
		-	Reimbursement of expenses	1	1
		-	**Total**	**23**	**18**
	ii		Cost Auditor's Remuneration including fees for other services (excluding GST)	1	2
(#)	**Miscellaneous Expenses include:**				
	a		**Expenditure on Corporate Social Responsibility (CSR) Activities as required u/s 135 of the Companies Act, 2013:**	434	303
			# Particulars with regard to CSR activities :		
		1	Amount required to be spent during the year as per section 135(5)	434	303
		2	Amount spent on:		
			A Construction/ acquisition of asset	-	-
			B Purposes other than (A) above	640	133
		3	Amount of excess CSR spent of earlier years utilized for the financial year	81	251
		4	Excess / (Shortfall) at the end of the financial year	287	81
		5	Amount available for set off in succeeding financial year	287	81
		6	Total of previous years shortfall	N.A	N.A
		7	Reasons for shortfall	N.A	N.A
		8	Nature of CSR Activities:		
			A Healthcare	587	41
			B Education	18	18
			C Skill development	3	2
			D Research	4	3
			E Environment sustainability	28	69
		9	Details of Related Parties:		
			A Contribution to Zydus Foundation [Refer Note-4]	552	-

Notes to the Standalone Financial Statements

NOTE: 38-TAX EXPENSES:

₹ in Million

		Year ended March 31, 2025	Year ended March 31, 2024
The major components of income tax expense are:			
A	**Statement of profit and loss:**		
	Profit or loss section:		
	Current income tax:		
	Current income tax charge	15,130	9,343
	Adjustments in respect of current income tax of previous years	695	-
		15,825	**9,343**
	Deferred tax:		
	Relating to origination and reversal of temporary differences [Refer Note-21]	873	(1,360)
	Tax expense reported in profit or loss	**16,698**	**7,983**
	OCI Section:		
	Tax related to items recognised in OCI during in the year:		
	Net loss on remeasurements of defined benefit plans	52	51
	Tax credit to OCI	**52**	**51**
B	**Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:**		
	Profit before tax	74,447	42,398
	Enacted Tax Rate in India (%) [Refer Note-21 D]	34.94%	25.17%
	Expected Tax Expenses	26,015	10,672
	Adjustments for:		
	Tax effect of income which do not form part of total income under Section 10 AA of Income Tax Act, 1961	(10,029)	(79)
	Effect of deferred tax assets/ liabilities recognised of earlier years	260	(796)
	Effect of non-deductible expenses	401	209
	Effect of additional deductions in taxable income	(1,075)	(1,517)
	Effect of Remeasurement of opening balances of deferred tax assets and liabilities due to rate change [Refer Note-21 D]	464	(498)
	Effect of current income tax of previous years	695	-
	Others	(33)	(8)
	Total	**(9,317)**	**(2,689)**
	Tax Expenses as per Statement of profit and loss	**16,698**	**7,983**

Notes to the Standalone Financial Statements

NOTE: 39-CALCULATION OF EARNINGS PER EQUITY SHARE (EPS):

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

			Year ended March 31, 2025	Year ended March 31, 2024
A	Profit attributable to Shareholders	₹ in Million	57,749	34,415
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,006,233,990	1,011,926,837
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	57.39	34.01

NOTE: 40-SEGMENT INFORMATION:

Segment Information has been given in the Consolidated Financial Statements of the Company. Hence, as per Ind AS-108 "Operating Segments" issued by the Institute of Chartered Accountants of India, no separate disclosure on segment information is given in these standalone financial statements.

NOTE: 41-RELATED PARTY TRANSACTIONS:

A	**Name of the Related Parties and Nature of the Related Party Relationship:**		
	a	**Entity having control over the Company:** Zydus Family Trust [Holding 74.96 % in the Company]	
	b	**Subsidiary Companies/ entities:**	
		Zydus Healthcare Limited	Zydus Pharmaceuticals (USA) Inc. [ZPUI] [USA]
		German Remedies Pharmaceuticals Private Limited	Nesher Pharmaceuticals (USA) LLC [USA] [Merged with ZPUI w.e.f. October 25, 2024]
		Zydus Wellness Limited	ZyVet Animal Health Inc. [USA]
		Zydus Wellness Products Limited	Zydus Healthcare (USA) LLC [USA]
		Liva Nutritions Limited	Sentynl Therapeutics Inc. [USA]
		Liva Investment Limited [under liquidation]	Zydus Noveltech Inc. [USA] [dissolved on December 15, 2023]
		Zydus Animal Health and Investments Limited [ZAHIL]	Hercon Pharmaceuticals LLC [USA] [dissolved on May 24, 2023]
		Dialforhealth Unity Limited	Viona Pharmaceuticals Inc. [USA]
		Dialforhealth Greencross Limited	Zydus Therapeutics Inc. [USA]
		Violio Healthcare Limited	Zynext Ventures USA LLC [USA]
		Zydus Pharmaceuticals Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]
		Biochem Pharmaceutical Private Limited	Alidac Pharmaceuticals SA Pty. Ltd.
		Zydus Strategic Investments Limited	Script Management Services (Pty) Ltd [South Africa]
		Zydus VTEC Limited	Zydus Wellness [BD] Pvt Ltd [Bangladesh]
		Zydus Foundation [Refer Note-4]	Zydus Pharmaceuticals Mexico SA De C.V. [Mexico]
		LM Manufacturing India Private Limited [w.e.f. November 6, 2023]	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
		M/s. Recon Pharmaceuticals and Investments, a Partnership Firm	Zydus Worldwide DMCC [UAE]
		Zydus Medtech Private Limited [w.e.f. May 31, 2024]	Zydus Wellness International DMCC [UAE]
		Naturell (India) Private Limited [w.e.f. December 2, 2024]	Zydus Lifesciences Global FZE [UAE] [w.e.f. February 20, 2024]
		Zydus International Private Limited [Ireland]	Zydus Pharmaceuticals (Canada) Inc. [Canada] [w.e.f. September 6, 2023]
		Zydus Netherlands B.V. [the Netherlands]	Zydus Pharmaceuticals UK Limited [UK]

Notes to the Standalone Financial Statements

NOTE: 41-RELATED PARTY TRANSACTIONS: (Continued)

	Zydus Lanka (Private) Limited (Sri Lanka)	LM Manufacturing Limited (UK) (w.e.f. November 6, 2023)
	Zydus Nikkho Farmaceutica Ltda. (Brazil)	Medsolutions (Europe) Limited (UK) (w.e.f. November 6, 2023)
	Alidac Healthcare (Myanmar) Limited (Myanmar)	LiqMeds Worldwide Limited (UK) (w.e.f. November 6, 2023)
	Zydus Healthcare Philippines Inc. (Philippines)	LiqMeds Limited (UK) (w.e.f. November 6, 2023)
	Zynext Ventures PTE. LTD. (Singapore)	LiqMeds Lifecare Limited (UK) (LiqMed) (w.e.f. November 6, 2023)
	Zydus France, SAS (France)	Naturell Inc. (USA) (w.e.f. December 2, 2024)
	Laboratorios Combix S.L. (Spain)	
	Etna Biotech S.R.L. (Italy)	
c	**Joint Venture Companies: (JV)**	
	Zydus Hospira Oncology Private Limited	Bayer Zydus Pharma Private Limited (Upto May 2, 2024) (Refer Note-52)
	Zydus Takeda Healthcare Private Limited	Oncosol Limited (JV of LiqMed) (w.e.f. November 6, 2023)
	Sterling Biotech Limited (w.e.f. August 29, 2024) (JV of ZAHIL)	
d	**Key Managerial Personnel:**	
	Mr. Pankaj R. Patel	Non-Executive Chairman
	Dr. Sharvil P. Patel	Managing Director & son of Chairman
	Mr. Ganesh N. Nayak	Executive Director
	Mr. Mukesh M. Patel	Non-Executive Director
	Mr. Apurva S. Diwanji	Independent Director
	Mr. Nitin R. Desai	Independent Director (upto August 9, 2024)
	Ms. Dharmishtaben N. Raval	Independent Director (upto August 9, 2024)
	Mr. Bhadresh K. Shah	Independent Director
	Mr. Akhil Monappa	Independent Director
	Ms. Upasana Konidela	Independent Director
	Ms. Shelina Parikh	Independent Director(w.e.f. May 17, 2024)
	Mr. Nitin D. Parekh	Executive Officer (Chief Financial Officer)
	Mr. Dhaval N. Soni	Executive Officer (Company Secretary)
e	**Enterprises significantly influenced by Directors and/or their relatives with whom transactions have taken place:**	
	Cadmach Machinery Company Private Limited	Cadila Laboratories Private Limited
	Zydus Hospitals and Healthcare Research Private Limited	Oneiro Chemicals Private Limited
	Aleta Hospitals LLP	Mukesh M. Patel & Co.
	Zydus Infrastructure Private Limited	M/s. International Tax and Investments Consultants
	Sahyadri Hospitals Private Limited	TUV India Private Limited
	Vitely Bio LLP	Apollo Healthco Limited
f	**Post Employment Benefits Plans with whom transactions have taken place:**	
	Cadila Healthcare Limited Employees Group Gratuity Scheme	Cadila Healthcare Ltd. Managerial Cadre EPF

Notes to the Standalone Financial Statements

NOTE: 41-RELATED PARTY TRANSACTIONS: (Continued)

B Transactions with Related Parties:

a Details relating to parties referred to in Note-41-A (b, c & e)

Nature of Transactions	Value of the Transactions (₹ in Million)					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31					
	2025	2024	2025	2024	2025	2024
PURCHASES:						
Goods:						
Zydus Healthcare Limited	228	193	-	-	-	-
Oneiro Chemicals Private Limited	-	-	-	-	717	523
Others	91	134	61	98	14	11
Total	**319**	**327**	**61**	**98**	**731**	**534**
Property, Plant and Equipment and intangible assets:						
Zydus Wellness Products Limited	59	-	-	-	-	-
Zydus VTEC Limited	192	7	-	-	-	-
Others	1	-	-	-	13	13
Total	**252**	**7**	**-**	**-**	**13**	**13**
Reimbursement of Expenses paid:						
Zydus Pharmaceuticals (USA) Inc.	805	673	-	-	-	-
Laboratories Combix S.L.	146	185	-	-	-	-
Zydus France, SAS	285	264	-	-	-	-
Others	172	281	57	42	-	-
Total	**1,408**	**1,403**	**57**	**42**	**-**	**-**
Services:						
Zydus Pharmaceuticals Limited	1,348	517	-	-	-	-
Others	67	10	-	-	143	130
Total	**1,415**	**527**	**-**	**-**	**143**	**130**
SALES:						
Goods:						
Zydus Pharmaceuticals (USA) Inc.	101,598	64,111	-	-	-	-
Others	12,795	10,105	37	100	30	17
Total	**114,393**	**74,216**	**37**	**100**	**30**	**17**
Property, Plant and Equipment and intangible assets:						
Zydus Animal Health and Investments Limited	15	2	-	-	-	-
Zydus Healthcare Limited	3	4	-	-	-	-
Others	1	6	-	-	-	-
Total	**19**	**12**	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

NOTE: 41-RELATED PARTY TRANSACTIONS: (Continued)

Nature of Transactions	Value of the Transactions (₹ in Million)					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31					
	2025	2024	2025	2024	2025	2024
Reimbursement of Expenses Recovered:						
Zydus Lifesciences Global FZE	428	-	-	-	-	-
Zydus Animal Health and Investments Limited	129	92	-	-	-	-
Others	36	158	11	9	-	-
Total	**593**	**250**	**11**	**9**	**-**	**-**
Services:						
Zydus Lifesciences Global FZE	115	-	-	-	-	-
Zydus Healthcare Limited	442	540	-	-	-	-
Others	289	729	-	-	3	2
Total	**846**	**1,269**	**-**	**-**	**3**	**2**
CSR Expenses:						
Zydus Foundation	348	-	-	-	-	-
Advance CSR contribution:						
Zydus Foundation	204	-	-	-	-	-
INVESTMENTS:						
Impairment/ Loss on investments (Note-46):						
Zydus Noveltech Inc.	-	86	-	-	-	-
Investments made:						
Zydus Pharmaceuticals Limited	1,000	6,600	-	-	-	-
Zydus MedTech Private Limited	1,395	-	-	-	-	-
Zynext Ventures PTE. LTD.	775	-	-	-	-	-
Others	84	20,107	-	-	-	-
Total	**3,254**	**26,707**	**-**	**-**	**-**	**-**
Investments redemption:						
Zydus Animal Health and Investments Limited	3,600	-	-	-	-	-
Bayer Zydus Pharma Private Limited	-	-	60	-	-	-
Total	**3,600**	**-**	**60**	**-**	**-**	**-**
Dividend Received:						
Zydus Healthcare Limited	2,821	5,080	-	-	-	-
Zydus Takeda Healthcare Private Limited	-	-	-	625	-	-
Others	183	183	-	125	-	-
Total	**3,004**	**5,263**	**-**	**750**	**-**	**-**
FINANCE:						
Inter Corporate Loans given:						
Sentynl Therapeutics Inc	8,828	-	-	-	-	-
Zydus Lifesciences Global FZE	1,745	-	-	-	-	-
Others	211	828	-	-	-	-
Total	**10,784**	**828**	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

NOTE: 41-RELATED PARTY TRANSACTIONS: (Continued)

Nature of Transactions	Value of the Transactions (₹ in Million)					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31					
	2025	2024	2025	2024	2025	2024
Inter Corporate Loans repaid by:						
Zydus Pharmaceuticals (USA) Inc.	4,623	-	-	-	-	-
Zydus Worldwide DMCC	1,742	4,047	-	-	-	-
Total	**6,365**	**4,047**	**-**	**-**	**-**	**-**
Inter Corporate Loans accepted:						
Zydus Healthcare Limited	10,566	18,925	-	-	-	-
Others	-	1,700	-	-	-	-
Total	**10,566**	**20,625**	**-**	**-**	**-**	**-**
Inter Corporate Loans repaid to:						
Zydus Healthcare Limited	2,282	221	-	-	-	-
Zydus Animal Health and Investments Limited	10,646	2,560	-	-	-	-
Total	**12,928**	**2,781**	**-**	**-**	**-**	**-**
Interest Income:						
Zydus International Private Limited	703	720	-	-	-	-
Sentynl Therapeutics Inc	406	75	-	-	-	-
Zydus Pharmaceuticals (USA) Inc.	647	810	-	-	-	-
Zydus Worldwide DMCC	514	781	-	-	-	-
Others	19	1	1	3	-	-
Total	**2,289**	**2,387**	**1**	**3**	**-**	**-**
Interest Expense:						
Zydus Healthcare Limited	2,693	1,845	-	-	-	-
Zydus Animal Health and Investments Limited	1,146	1,774	-	-	-	-
Others	81	81	-	-	-	-
Total	**3,920**	**3,700**	**-**	**-**	**-**	**-**
Nature of Transactions	As at March 31					
	2025	2024	2025	2024	2025	2024
OUTSTANDING:						
Payable:						
Zydus Healthcare Limited	42,347	33,824	-	-	-	-
Zydus Animal Health and Investments Limited	11,451	22,504	-	-	-	-
Others	3,367	2,638	9	48	125	97
Total	**57,165**	**58,966**	**9**	**48**	**125**	**97**
Receivable:						
Zydus Pharmaceuticals (USA) Inc.	71,166	46,910	-	-	-	-
Zydus International Private Limited	12,582	12,993	-	-	-	-
Others	32,764	17,427	1	1	7	6
Total	**116,512**	**77,330**	**1**	**1**	**7**	**6**

Notes to the Standalone Financial Statements

NOTE: 41-RELATED PARTY TRANSACTIONS: (Continued)

₹ in Million

		Year ended March 31, 2025	Year ended March 31, 2024
b	**Details relating to persons referred to in Note-41-A (a) above:**		
	(i) Dividend paid	2,263	4,553
c	**Details relating to persons referred to in Note-41-A (d) above:**		
	(i) Salaries and other employee benefits to Managing Director, Executive Director and other executive officers	602	528
	(ii) Commission and Sitting Fees	32	28
	(iii) Outstanding payable to above (i) and (ii)	300	174
d	**Corporate guarantees given by the Company (Refer Note-42)**		
e	**Details relating to persons referred to in Note-41-A (f) above:**		
	(i) Contributions (including Employee's share and contribution)	1,045	923
f	**Details relating to buyback of shares from Promoter/ Promoter Group (Refer Note-16-D for name of promoters):**		
	(i) Zydus Family Trust	-	3,871
	(ii) Others	-	1
	(iii) Total	**-**	**3,872**

NOTE: 42-DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEES GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013:

A Details of loans and investments are given under the respective heads.

B **Corporate guarantees given by the Company (#):**

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Subsidiary Companies:		
a Zydus Pharmaceuticals UK Limited	12,403	11,797
Total	**12,403**	**11,797**

(#) Corporate guarantees which are outstanding at the end of the financial year are given for business purpose.

NOTE: 43-FINANCIAL INSTRUMENTS:

A **Fair values hierarchy:**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data relying as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the Standalone Financial Statements

NOTE: 43-FINANCIAL INSTRUMENTS: (Continued)

B Financial assets and liabilities measured at fair value - recurring fair value measurements:

₹ in Million

	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial Assets at FVTPL:				
Bonds	2,374	-	-	2,374
Mutual funds	70	-	-	70
Government Securities	23,814	-	-	23,814
Derivative Financial Asset	178	-	-	178
Financial Investments at FVTOCI:				
Quoted equity instruments	859	-	-	859
Unquoted equity instruments	-	-	22	22
Total financial assets	**27,295**	**-**	**22**	**27,317**
Financial liabilities:				
Financial Liabilities at FVTPL:				
Derivative Financial Liability	191	-	-	191
Total financial liabilities	**191**	**-**	**-**	**191**

	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial Assets at FVTPL:				
Bonds	2,580	-	-	2,580
Derivative not designated as hedge:				
Forward Contract value related to investment in a Joint Venture	-	2,803	-	2,803
Financial Investments at FVTOCI:				
Quoted equity instruments	589	-	-	589
Unquoted equity instruments	-	-	22	22
Total financial assets	**3,169**	**2,803**	**22**	**5,994**
Total financial liabilities	**-**	**-**	**-**	**-**

C Fair value of instruments measured at amortised cost:

Financial Assets:

The carrying amounts of trade receivables, loans and advances to related parties, other financial assets, cash and cash equivalents, investment in preference shares and compulsorily convertible debentures are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

D Valuation process and technique used to determine fair value:

Specific valuation techniques used to value financial instruments include the use of quoted market prices for similar instruments. The valuation has been derived using the Present Value technique under Income Approach. The valuation includes significant unobservable inputs like Weighted Average Cost of Capital (WACC), revenue forecast, etc.

Notes to the Standalone Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT:

A Financial instruments by category:

₹ in Million

	As at March 31, 2025			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity instruments (other than investment in Equity of Subsidiaries and Joint Ventures)	-	881	-	881
Preference shares	-	-	9	9
Mutual funds	70	-	-	70
Commercial Papers	-	-	10,721	10,721
Certificate of Deposits	-	-	5,749	5,749
Inter Corporate Deposits	-	-	2,011	2,011
Government Securities	23,814	-	-	23,814
Bonds	2,374	-	75	2,449
Debentures	-	-	27	27
Non Current Loans	-	-	41,190	41,190
Non Current Other Financial Assets	-	-	152	152
Trade receivables	-	-	81,618	81,618
Cash and Cash Equivalents	-	-	1,441	1,441
Current Loans	-	-	1,251	1,251
Derivative Financial Asset	178	-	-	178
Other Current Financial Assets (other than Receivables for Forward Contract)	-	-	3,969	3,969
Total	**26,436**	**881**	**148,213**	**175,530**
Financial liabilities:				
Borrowings (including current maturities and interest accrued but not due)	-	-	85,035	85,035
Trade payables	-	-	12,316	12,316
Non Current Other Financial Liabilities	-	-	308	308
Payable for Capital Goods	-	-	1,059	1,059
Derivative Financial Liability	191	-	-	191
Other Current Financial Liabilities	-	-	2,404	2,404
Total	**191**	**-**	**101,122**	**101,313**

Notes to the Standalone Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT: (Continued)

₹ in Million

	As at March 31, 2024			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity instruments (other than investment in Equity of Subsidiaries and Joint Ventures)	-	611	-	611
Preference shares	-	-	9	9
Bonds	2,580	-	75	2,655
Debentures			24	24
Non Current Loans	-	-	36,406	36,406
Non Current Other Financial Assets (other than Forward Contract value related to investment in a JV)	-	-	144	144
Trade receivables	-	-	47,401	47,401
Forward Contract value related to investment in a JV	2,803	-	-	2,803
Cash and Cash Equivalents	-	-	4,144	4,144
Current Loans	-	-	1,048	1,048
Other Current Financial Assets (other than Receivables for Forward Contract)	-	-	3,170	3,170
Total	**5,383**	**611**	**92,421**	**98,415**
Financial liabilities:				
Borrowings (including current maturities and interest accrued but not due)	-	-	63,551	63,551
Trade payables	-	-	11,118	11,118
Non Current Other Financial Liabilities	-	-	281	281
Payable for Capital Goods	-	-	703	703
Other Current Financial Liabilities	-	-	1,914	1,914
Total	**-**	**-**	**77,567**	**77,567**

Financial Assets:

The carrying amounts of trade receivables, loans and advances to related parties and other financial assets (other than referred above), cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

B Risk Management:

The Company's activities expose it to market risk, liquidity risk and credit risk. 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 standalone financial statements.

The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

Notes to the Standalone Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT: (Continued)

a Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. The Company is exposed to credit risk from investment in preference shares measured at amortised cost, loans and advances to related parties, trade receivables, bank deposits and other financial assets. The Company periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

i Investments at Amortised Cost : They are strategic investments in the normal course of business of the company.

ii Bank deposits : The Company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.

iii Loans to related parties : They are given for business purposes. The Company reassesses the recoverability of loans periodically.

Interest recoveries from these loans are regular and there is no event of defaults.

iv Trade Receivables: The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to credit losses is not significant.

There are no significant credit risks with related parties of the Company. The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments. No single third party customer contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as at March 31, 2025 and March 31, 2024.

The Company has used lifetime expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix considers historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables.

Financial assets for which loss allowances is measured using the expected credit loss:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Trade Receivables:		
Less than 180 days (including not due)	79,402	46,195
180 - 365 days	1,499	1,017
Above 365 days	1,195	434
Total	**82,096**	**47,646**
Movement in the expected credit loss allowance on trade receivables:		
Balance at the beginning of the year	245	61
Addition	233	215
Recoveries	-	(31)
Balance at the end of the year	**478**	**245**

Notes to the Standalone Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT: (Continued)

Set out below is the information about the credit risk exposure of the Company's trade receivables using provision matrix:

Trade Receivables	ECL Rate		₹ in Million			
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025		As at March 31, 2024	
			Receivable	ECL Value	Receivable	ECL Value
Upto 360 days	0.05% - 4.65%	0.05% - 3.26%	80,929	141	47,210	54
361 to 720 days	8.41% - 33.41%	5.91% - 15.47%	890	104	122	11
Above 720 days	38.39% - 100.00%	18.43% - 100.00%	277	233	314	180
Total			**82,096**	**478**	**47,646**	**245**

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

b Liquidity risk:

a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities:

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹ in Million

	< 1 year	1-2 year	2-3 year	> 3 years	Total
	As at March 31, 2025				
Non-derivatives Financial Liabilities:					
Borrowings (including current maturities and interest)	57,708	16,669	870	14,284	89,531
Other non current financial liabilities	-	14	3	291	308
Trade payables	12,316	-	-	-	12,316
Accrued Expenses	2,354	-	-	-	2,354
Payable for Capital Goods	1,059	-	-	-	1,059
Other Current Financial Liabilities	50	-	-	-	50
	73,487	**16,683**	**873**	**14,575**	**105,618**
Corporate Guarantees	2,974	5,442	3,987	-	12,403
Total	**76,461**	**22,125**	**4,860**	**14,575**	**118,021**

Notes to the Standalone Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT: (Continued)

₹ in Million

	< 1 year	1-2 year	2-3 year	> 3 years	Total
	As at March 31, 2024				
Non-derivatives Financial Liabilities:					
Borrowings (including current maturities and interest)	10,552	39,864	16,009	2,743	69,168
Other non current financial liabilities	-	14	3	264	281
Trade payables	11,118	-	-	-	11,118
Accrued Expenses	1,860	-	-	-	1,860
Payable for Capital Goods	703	-	-	-	703
Other Current Financial Liabilities	54	-	-	-	54
	24,287	**39,878**	**16,012**	**3,007**	**83,184**
Corporate Guarantees	-	3,370	4,635	3,792	11,797
Total	**24,287**	**43,248**	**20,647**	**6,799**	**94,981**

c Foreign currency risk:

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar.

Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's operations in foreign currency creates natural foreign currency hedge.

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ in Million, are as follows:

₹ in Million

	Exposure of USD	
	2025	2024
Financial assets:		
Trade receivable	76,206	43,228
Cash and Cash equivalents	654	579
Investment in quoted equity instruments	137	22
Loans to Related Parties alongwith interest	42,207	37,448
Total exposure to foreign currency risk (assets)	**119,204**	**81,277**
Financial liabilities:		
Foreign currency loan alongwith interest	-	4,592
Trade and other payable	3,840	3,851
Total exposure to foreign currency risk (liabilities)	**3,840**	**8,443**
Net exposure to foreign currency risk	**115,364**	**72,834**

Notes to the Standalone Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT: (Continued)

₹ in Million

	Exposure of Other Foreign Currencies	
	2025	2024
Financial assets:		
Trade receivable	2,051	1,644
Cash and Cash equivalents	89	44
Loans to Related Parties alongwith interest	228	-
Total exposure to foreign currency risk (assets)	**2,368**	**1,688**
Financial liabilities:		
Trade and other payable	1,471	696
Total exposure to foreign currency risk (liabilities)	**1,471**	**696**
Net exposure to foreign currency risk	**897**	**992**

Sensitivity *:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

₹ in Million

Currency	As at March 31, 2025			As at March 31, 2024		
	Movement in Rate	Impact on PAT (*)	Impact on OCI (*)	Movement in Rate	Impact on PAT (*)	Impact on OCI (*)
USD	2.50%	1,874	3	1.50%	817	0
USD	-2.50%	(1,874)	(3)	-1.50%	(817)	(0)
Others	4.00%	23	-	1.00%	7	-
Others	-4.00%	(23)	-	-1.00%	(7)	-

* Holding all other variables constant.

d Interest rate risk:

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at March 31, 2025, the Company is exposed to changes in market interest rates through borrowings at variable interest rates. The Company's investments in Fixed Deposits are at fixed interest rates.

Sensitivity *:

Below is the sensitivity of profit or loss and equity to changes in interest rates: ₹ in Million

	Movement in Rate	As at March 31, 2025	As at March 31, 2024
Interest rates	+0.50%	(201)	(231)
Interest rates	-0.50%	201	231

* Holding all other variables constant

e Price risk:

Exposure:

The Company's exposure to price risk arises from investments in Equity and Mutual Funds, Bonds, Government Securities held by the Company and classified in the balance sheet as fair value through OCI and at fair value through profit or loss respectively. To manage its price risk arising from these investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Notes to the Standalone Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT: (Continued)

Sensitivity *:

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period.

₹ in Million

	Movement in Rate	As at March 31, 2025		As at March 31, 2024	
		Impact on PAT	Impact on OCI	Impact on PAT	Impact on OCI
Equity Instruments (Quoted)					
Increase	+10.00%	-	86	-	59
Decrease	-10.00%	-	(86)	-	(59)
Mutual Funds (Quoted)					
Increase	+2.00%	1	-	-	-
Decrease	-2.00%	(1)	-	-	-
Bonds (Quoted)					
Increase	+2.00%	47	-	52	-
Decrease	-2.00%	(47)	-	(52)	-
Government Securities (Quoted)					
Increase	+2.00%	476	-	-	-
Decrease	-2.00%	(476)	-	-	-

* Holding all other variables constant

C **Hedge:**

Disclosure of effects of hedge accounting on financial position:

Hedged item - Changes in fair value of trade receivables (including loan receivables in previous year) from overseas entity attributable to changes in foreign exchange rates

Hedging instrument - Changes in fair value of forward contracts attributable to foreign exchange rates (including foreign currency borrowings in previous year)

	As at March 31, 2025					
Type of hedged risk	**Carrying amount (USD in Million)**	**Carrying amount (₹ in Million)**	**Maturity Date**	**Hedge Ratio**	**Balance sheet classification**	**Changes in fair value relating to hedged risk (₹ in Million)**
Fair Value Hedge:						
Hedging instrument: Certain Forward contracts	100	8,550	Range - Within 6 months	1:1	Other Current Financial Assets	178
Hedged item: Certain foreign currency trade receivables	100	8,550	Range - Within 6 months		Trade Receivables	178

Notes to the Standalone Financial Statements

NOTE: 44-FINANCIAL RISK MANAGEMENT: (Continued)

	As at March 31, 2024					
Type of hedged risk	**Carrying amount (USD in Million)**	**Carrying amount (₹ in Million)**	**Maturity Date**	**Hedge Ratio**	**Balance sheet classification**	**Changes in fair value relating to hedged risk (₹ in Million)**
Fair Value Hedge:						
Hedging instrument: Certain Foreign currency borrowings and forward contracts	74	6,184	Range - Within 6 months	1:1	Borrowings and Other Current Financial Assets	41
Hedged item: Certain foreign currency trade receivables and loan receivables	74	6,184	Range - Within 6 months		Trade Receivables and Loans	41

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the dollar offset method to assess effectiveness. There was no hedge ineffectiveness in any of the periods presented above.

NOTE: 45-CAPITAL MANAGEMENT:

The Company' s capital management objectives are:

a To ensure the Company's ability to continue as a going concern

b To provide an adequate return to shareholders

c To maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

₹ in Million

	As at March 31, 2025	**As at March 31, 2024**
Gross debts	83,387	61,735
Total equity	211,901	157,165
Gross debt to equity ratio (No. of times)	0.39	0.39

Loan covenants:

As on March 31, 2025, no long term borrowings is outstanding, hence no financial covenants are applicable to the Company.

NOTE: 46-EXCEPTIONAL ITEMS:

Pursuant to closure of business operations by Zydus Noveltech Inc., a wholly owned subsidiary of the Company in the USA, the Company had recognised a loss of ₹ 86 Million during the previous year.

Notes to the Standalone Financial Statements

NOTE: 47-LEASES:

Lessee:

A Relating to statement of financial position:

1 Under Ind AS 116, the Company recognises right to use assets and lease liabilities for most leases.
Right of use assets are part of standalone financial statement captions "Property plant and equipment'. Depreciation and impairment are similar to measurement of owned assets. Lease liabilities are part of financial statement captions "non-current financial liabilities" and "current financial liabilities". Interest is part of standalone financial statement captions " Finance costs".

₹ in Million

Right of use assets	Land	Buildings	Total
As at April 1, 2023	**421**	**26**	**447**
Acquired under BTA [Note-51]	20	-	20
Additions during the year	11	31	42
Depreciation charge for the year	5	14	19
Balance as at March 31, 2024 (Net)	**447**	**43**	**490**
Additions during the year	35	-	35
Depreciation charge for the year	6	14	20
Balance as at March 31, 2025 (Net)	**476**	**29**	**505**

The Company leases assets which include office buildings and warehouse spaces.

2 Movement in lease liabilities:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Lease liability at the beginning of the year	48	28
Interest on Lease	4	6
Payment towards lease liabilities	(17)	14
Lease liability at end of the year	35	48
of which:		
Current portion	14	13
Non current portion	21	35

2.1 Maturity analysis of lease liabilities:

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

₹ in Million

Minimum lease payments due	As at March 31, 2025	As at March 31, 2024
Within 1 year	14	13
1-5 years	16	30
Above 5 years	5	5

Notes to the Standalone Financial Statements

NOTE: 47-LEASES: (Continued)

2.2

₹ in Million

		Year ended March 31, 2025	Year ended March 31, 2024
a	Expenses relating to short-term leases and low-value assets	19	15
b	Total Cash outflow for Leases	17	(14)

Lessor:

The Company leases out certain properties and classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

₹ in Million

Lease payments due to be received:	As at March 31, 2025	As at March 31, 2024
Within 1 year	60	58
1-5 years	210	227
Above 5 years	567	603
Total undiscounted lease payments	**837**	**888**

Description of lease activities:

Real estate lease:

The Company leases buildings for it's offices and warehouse space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically made for a fixed period of 3- 10 years and may include extension options which provide operational flexibility. Majority of the leases are cancellable by either parties by serving notice period.

Notes to the Standalone Financial Statements

NOTE: 48-ANALYTICAL RATIOS:

Sr. No	Ratio	Numerator	Denominator	FY 24-25	FY 23-24	% Change
1	Current Ratio [$]	Current Assets	Current Liabilities	1.95	3.11	-37.3%
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.39	0.39	0.2%
3	Debt Service Coverage Ratio	Earnings available for debt service @	Finance costs + Repayment of debt	3.47	4.60	-24.6%
4	Return on Equity Ratio [#]	Net Profits after taxes @@	Average Shareholder's Equity	31.3%	23.5%	33.1%
5	Inventory turnover ratio [*]	Net Sales	Average Inventory	8.02	5.95	34.8%
6	Trade Receivables turnover ratio	Net Sales	Average Trade Receivables	2.26	2.50	-9.6%
7	Trade payables turnover ratio	Net Purchases and Other Expenses	Average Trade Payables	5.19	4.91	5.7%
8	Net capital turnover ratio	Net Sales	Average Working Capital	2.27	2.12	7.3%
9	Net profit ratio	Net Profits after taxes @@	Net Sales	39.6%	33.4%	18.4%
10	Return on Capital employed [#]	Earnings before interest and taxes	Average Capital Employed	30.6%	22.9%	34.1%
11	Return on investments:					
a	Fixed Deposits	Income from investments during the year	Time weighted average of investments	7.1%	7.8%	-9.0%
b	Mutual Funds	Income from investments during the year	Time weighted average of investments	6.6%	6.8%	-3.2%
c	Bonds	Income from investments during the year	Time weighted average of investments	7.6%	7.9%	-3.5%
d	Commercial Papers	Income from investments during the year	Time weighted average of investments	7.8%	N.A.	N.A.
e	Certificate of Deposits	Income from investments during the year	Time weighted average of investments	7.8%	N.A.	N.A.
f	Inter Corporate Deposits	Income from investments during the year	Time weighted average of investments	7.8%	N.A.	N.A.
g	Government Securities	Income from investments during the year	Time weighted average of investments	7.0%	N.A.	N.A.
h	Quoted Investments [^]	Income from investments during the year	Time weighted average of investments	88.5%	-45.6%	294.2%

[$] Decrease is due to increase in current borrowings.

[#] Increase is due to increase in profit.

[*] Increase is due to increase in sales.

[^] Mainly due to market indices.

[@] Net profit after taxes + non cash operating expenses + finance costs - other income.

[@@] Net profit after taxes + exceptional items.

Notes to the Standalone Financial Statements

NOTE: 49:

The Company advances loans and investments to fund the operations of its subsidiaries within consolidated group of the Company which have further utilised these funds for their business purpose in the ordinary course of business, as a part of its treasury operations.

a **Following are the details of the funds loaned & invested by the Company to intermediaries for further loan or investment to the ultimate beneficiaries:**

Amount in ₹ Million

Name of the intermediary to which the funds are advanced/ invested	Date of loan and investment to intermediary	Amount of loan and investment to intermediary	Date on which funds are further loaned and invested by intermediary to ultimate beneficiary	Amount of fund further loaned and invested by intermediary to ultimate beneficiary	Ultimate beneficiary
Zynext Ventures PTE. LTD.	21-May-24	104	03-Jun-24	104	Zynext Ventures USA LLC
Zynext Ventures PTE. LTD.	29-May-24	67	03-Jun-24	63	Zynext Ventures USA LLC
Zynext Ventures PTE. LTD.	23-Aug-24	168	26-Sep-24	168	Zynext Ventures USA LLC
Zynext Ventures PTE. LTD.	11-Mar-25	436	13-Mar-25	436	Zynext Ventures USA LLC

Complete details of the intermediary and ultimate beneficiary:

Name of entity	Registered address	Relationship with the Company
Zynext Ventures PTE. LTD.	8 Cross Street, #24-03/04, Manulife towers, 048424, Singapore	Wholly owned subsidiary
Zynext Ventures USA LLC	73 Route 31 N, Pennington, NJ 08534, USA	Wholly owned subsidiary

b The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise), that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

c The Company has used accounting software for maintaining its books of accounts for the year ended on March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has been operational throughout the year for all relevant transactions recorded in the software.

Audit trail has been preserved by the Company as per the statutory requirements for record retention.

d The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

e No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

f The Company has not been declared as willful defaulter by any bank or financial Institution or other lender.

g The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

h The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

i No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

j The Company does not have any transaction which is not recorded in 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).

Notes to the Standalone Financial Statements

NOTE: 50-DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES:

The Company did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

NOTE: 51:

Pursuant to the Business Transfer Agreement (BTA) entered into by the Company with Watson Pharma Private Limited (Watson) on November 29, 2022, the transaction of acquisition of one of the business undertakings of Watson on a going concern basis by way of slump sale, at a lump-sum cash consideration of ₹ 468 Million by the Company had been completed on August 8, 2023.

Business undertaking of Watson is engaged in the business of developing, manufacturing, marketing and sale of APIs. This acquisition will help the Company to expand its presence in the APIs space through increase in product pipeline and manufacturing capacity.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	**₹ in Million**
Property, Plant and Equipment	468
Other intangible assets	1
Net Identifiable assets acquired	**469**
Capital Reserve	(1)
Total acquisition cost	**468**

Acquisition cost settled in Cash	**₹ in Million**
Consideration	468
Less: Cash and cash equivalents acquired	-
Net Cash outflow on acquisition	**468**

The excess of the fair value of assets acquired over the acquisition cost paid has been attributed to Capital Reserve.

The standalone financial statement for the year ended March 31, 2024 include the operations of the acquired business undertaking of Watson for the period from August 8, 2023.

NOTE: 52-ASSETS CLASSIFIED AS HELD FOR SALE:

The Board of Directors of the Company, at its meeting held on May 2, 2024, approved to enter into a Share Purchase Agreement (SPA) amongst the Company, Bayer Zydus Pharma Private Limited (BZPPL) and Bayer Pharmaceuticals Private Limited (BPPL) to sell its entire holding of 12,499,999 equity shares (representing 24.99998% of the total paid-up share capital) of BZPPL to BPPL. The said transaction of transfer of shares was completed on May 6, 2024. Post completion of the said transaction, the Company does not hold any shares of BZPPL.

In accordance with Ind AS 105 "Non-Current Assets held for Sale and Discontinued Operations", investment in BZPPL was classified as "Assets held for sale" from Investments and disclosed separately at the lower of its carrying value and fair value less costs to sell as at March 31, 2024.

Investments classified as held for sale:

		₹ in Million
1	Fully paid-up equity shares of BZPPL	125
2	Fully paid-up, 5%, Redeemable Non-Cumulative Preference Shares of BZPPL	59
3	Equity Component of 5%, Redeemable Non-Cumulative Preference Shares of BZPPL	61
	Total Assets classified as held for sale	**245**

Notes to the Standalone Financial Statements

NOTE: 53:

Figures of previous year have been regrouped/ reclassified to conform to current year's classification.

Signatures to Material Accounting Policies and Notes 1 to 53 to the Financial Statements

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Ahmedabad
May 20, 2025

INDEPENDENT AUDITOR'S REPORT

To The Members of **Zydus Lifesciences Limited**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Zydus Lifesciences Limited (the "**Parent**") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "**Group**") which includes the Group's share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "**Act**") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("**Ind AS**") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their 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 ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters 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, 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	Legal Proceedings involving Zydus Pharmaceuticals (USA) Inc., a subsidiary (as described in Notes 2.6F, 2.19 and 28B to the consolidated financial statements) The subsidiary is involved in various legal proceedings which include claims pursuant to contracts with third parties, claims related to product liabilities, employment claims, anti-trust and other regulatory matters. Most of the claims involve complex issues. The component, assisted by its' external legal counsel assesses the possible outcome of these matters on a case-to-case basis considering the underlying facts of each litigation. Considering the complexity and the significance of the matters involved requiring management judgement and estimates, this has been considered as a key audit matter.	We had discussions with the component auditor with regard to their independent assessment of the possible outcome of these matters, conclusion with respect to adequacy of provision made for the said matters and carried out direction, supervision & review of their work. Also, we have sent out referral instructions to the component auditor and evaluated the responses received from them. The procedures performed by the component auditors and reported to us included the following: • Obtained a list of litigations from the in-house legal counsel of the entity; identified material litigations from the 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. • Solicited legal letters from the external legal counsels appointed by management. For responses received, read their assessment to corroborate the assessment made by the management. • Evaluated adequacy of the provisions made and disclosures in the financial statement / information.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility and Sustainability Report, Board's Report and Corporate Governance report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- 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, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibility 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 financial controls 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 Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures 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 and its joint ventures 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 or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities or business activities included in the consolidated financial statements, which have been audited by the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated

financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 28 subsidiaries, whose financial statements reflect total assets of ₹ 3,41,853 million as at March 31, 2025, total revenues of ₹ 1,73,409 million and net cash inflows amounting to ₹ 2,691 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 146 million for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and a joint venture is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of 24 subsidiaries, whose financial statements reflect total assets of ₹ 52,333 million as at March 31, 2025, total revenues of ₹ 12,873 million and net cash inflows amounting to ₹ 1,178 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 433 million for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of 4 joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and 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 joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group and its joint ventures including relevant records so far as it appears from our examination of those books and the reports of the other auditors, except (a) for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India by a joint venture (refer Note 54(c) to the consolidated financial statements) and (b) in relation to compliance with the requirements of audit trail, refer paragraph (i)(vi) below.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow 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.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and its joint venture companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" which is based on the auditors' reports of the Parent, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies and joint venture companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies and joint venture companies to their respective directors during the year is in accordance with the provisions of section 197 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:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures - Refer Note 28 to the consolidated financial statements.

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 24 to the consolidated financial statements.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.

   iv) (a) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the note 54(a) 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 Parent or any of such subsidiaries and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the note 54(b) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries and joint ventures

from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors 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 final dividend proposed in the previous year, declared and paid by the Parent and its subsidiary which is company incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 30 to the consolidated financial statements, the Board of Directors of the Parent has proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Parent Company, its subsidiary companies and joint venture companies have used an accounting software for maintaining their respective books of account for the year ended March 31, 2025, 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.

In respect of one joint venture company, the accounting software used by that joint venture for maintaining its books of account for the year ended March 31, 2025 did not have audit trail enabled for certain changes which were performed by users having privileged access rights.

Further, during the course of our audit, we and the respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating, except for in case of one Joint Venture referred to above wherein audit trail has not been enabled for certain changes which were performed by users having privileged access rights.

Additionally, audit trail has been preserved by the Company and above referred subsidiaries as per the statutory requirements for record retention, except in respect of one joint venture, where the audit trail has not been preserved as per the statutory requirements for record retention, as mentioned in Note 54(d) to the financial statements.

2. With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the

CARO reports of the said companies included in the consolidated financial statements. Further, in respect of the following companies included in the consolidated financial statements, whose audit under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those companies are not available and consequently have not been provided to us as on the date of this audit report:

Name of the company	CIN	Nature of relationship
Zydus Hospira Oncology Private Limited	U24230GJ2005PTC046246	Joint Venture
Sterling Biotech Limited	L51900MH1985PLC035738	Joint Venture

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN 25106189BMNRJJ7305)

Place: Ahmedabad
Date: May 20, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO 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 Ind AS financial statements of the Company as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Zydus Lifesciences Limited (hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls with reference to consolidated financial statements of the Company's joint ventures, which are companies incorporated in India, as of that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and Board of Directors of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 16 subsidiary companies and a joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN 25106189BMNRJJ7305)

Place: Ahmedabad
Date: May 20, 2025

Consolidated Balance Sheet as at March 31, 2025

₹ in Million

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 (A)	60,420	58,033
Capital work-in-progress	3 (C)	13,179	11,115
Goodwill	3 (B)	52,421	52,660
Other Intangible Assets	3 (B)	18,496	12,992
Intangible Assets under Development	3 (D)	13,740	13,118
Investments accounted for using equity method	4	11,431	4,162
Financial Assets:			
Investments	5	4,136	5,518
Other Financial Assets	6	409	413
Deferred Tax Assets (Net)	7	23,438	16,442
Other Non-Current Assets	8	2,642	2,133
Assets for Current Tax (Net)	9	1,244	1,208
Total Non-Current Assets		**201,556**	**177,794**
Current Assets:			
Inventories	10	39,440	34,419
Financial Assets:			
Investments	11	48,511	2,525
Trade Receivables	12	40,247	52,202
Cash and Cash Equivalents	13 (A)	8,268	4,130
Bank Balances other than Cash and Cash Equivalents	13 (B)	21,300	6,921
Loans	14	771	15
Other Current Financial Assets	15	5,130	6,573
Other Current Assets	16	6,794	7,413
Total Current Assets		**170,461**	**114,198**
Assets classified as held for sale	51	-	816
Total Assets		**372,017**	**292,808**
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	17	1,006	1,006
Other Equity	18	238,525	197,289
Equity attributable to equity holders of the Parent		**239,531**	**198,295**
Non-Controlling Interests	49	24,053	22,721
Total equity		**263,584**	**221,016**
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities:			
Lease Liabilities	29	321	251
Other Financial Liabilities	19	8,722	10,542
Provisions	20	3,839	3,097
Deferred Tax Liabilities (Net)	7	5,126	4,465
Other Non-Current Liabilities	21	9	18
Total Non-Current Liabilities		**18,017**	**18,373**
Current Liabilities:			
Financial Liabilities:			
Borrowings	22	31,695	7,686
Lease Liabilities	29	116	105
Trade Payables:			
Dues to Micro and Small Enterprises	23	974	670
Dues to other than Micro and Small Enterprises	23	22,084	20,597
Other Financial Liabilities	24	22,213	13,891
Other Current Liabilities	25	2,663	2,780
Provisions	26	4,514	3,948
Current Tax Liabilities (Net)	27	6,157	3,720
Total Current Liabilities		**90,416**	**53,397**
Total Liabilities		**108,433**	**71,770**
Liabilities directly associated with assets classified as held for sale	51	-	22
Total Equity and Liabilities		**372,017**	**292,808**
Material Accounting Policies	**2**		
Notes to the Consolidated Financial Statements	**3 to 56**		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Ahmedabad
May 20, 2025

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Ahmedabad
May 20, 2025

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

₹ in Million

Particulars	Note No.	Year ended March 31, 2025	Year ended March 31, 2024
INCOME:			
Revenue from Operations	31	232,415	195,474
Other Income	32	2,695	2,841
Total Income		**235,110**	**198,315**
EXPENSES:			
Cost of Materials Consumed	33	43,729	45,805
Purchases of Stock-in-Trade	34	21,500	18,979
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	35	(1,849)	(2,502)
Employee Benefits Expense	36	36,806	31,376
Finance Costs	37	1,659	812
Depreciation and Amortisation Expense	38	9,158	7,641
Other Expenses	39	63,278	48,783
Net (Gain) on foreign currency transactions		(1,634)	(810)
Total Expenses		**172,647**	**150,084**
Profit before Exceptional Items and Tax		**62,463**	**48,231**
Less: Exceptional Items	46	2,196	142
Profit before Tax		**60,267**	**48,089**
Less: Tax Expense:			
Current Tax	40	20,493	14,926
Deferred Tax	40	(6,374)	(5,151)
		14,119	**9,775**
Profit for the year before Share of Profit of Joint Ventures		**46,148**	**38,314**
Add: Share of profit of Joint Ventures (Net of Tax)	4	578	1,184
Profit for the year from Continuing Operations		**46,726**	**39,498**
Profit before tax from discontinued operations	51	-	292
Tax expense of discontinued operations	51	-	(62)
Profit after tax from Discontinued Operations		**-**	**230**
Profit for the year		**46,726**	**39,728**
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement (losses) on post employment defined benefit plans		(365)	(296)
Net gain/ (loss) on fair value through OCI (FVTOCI) equity securities		287	(247)
Income tax effect on above		73	61
		(5)	**(482)**
Share of OCI of Joint Ventures	4	(18)	(3)
Income tax effect on above		-	-
		(18)	**(3)**
Total		**(23)**	**(485)**
Items that will be reclassified to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		(977)	(1,516)
Income tax effect on above		-	-
Total		**(977)**	**(1,516)**
Other Comprehensive Loss for the year (Net of Tax)		**(1,000)**	**(2,001)**
Total Comprehensive Income for the year (Net of Tax)		**45,726**	**37,727**
Profit for the year		**46,726**	**39,728**
Attributable to:			
Owners of the Parent		45,255	38,595
Non-Controlling Interests		1,471	1,133
OCI for the year		**(1,000)**	**(2,001)**
Attributable to:			
Owners of the Parent		(998)	(2,001)
Non-Controlling Interests		(2)	-
Total Comprehensive Income for the year		**45,726**	**37,727**
Attributable to:			
Owners of the Parent		44,257	36,594
Non-Controlling Interests		1,469	1,133
Basic & Diluted Earnings per Equity Share (EPS) (in Rupees)	41		
Continuing Operations		44.97	37.91
Discontinued Operations		-	0.23
Continuing and Discontinued Operations		44.97	38.14
Material Accounting Policies	2		
Notes to the Consolidated Financial Statements	3 to 56		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Ahmedabad
May 20, 2025

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Ahmedabad
May 20, 2025

Statement of Changes in Consolidated Equity for the year ended March 31, 2025

A EQUITY SHARE CAPITAL:

	No. of Shares	₹ in Million
Equity Shares of ₹ 1/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2023	1,012,204,139	1,012
Less: Extinguished pursuant to buyback of shares	(5,970,149)	(6)
As at March 31, 2024	1,006,233,990	1,006
As at March 31, 2025	**1,006,233,990**	**1,006**

B OTHER EQUITY:

₹ in Millions

	Attributable to the equity holders of the parent								Non-Controlling Interests	Total Equity
	Reserves and Surplus					Items of OCI		Total		
	Capital Reserve	Capital Redemption Reserve	International Business Development Reserve	General Reserve	Retained Earnings	FVTOCI Reserve	Foreign Currency Translation Reserve			
As at March 31, 2023	278	12	2,000	7,265	171,898	438	(7,745)	174,146	21,725	195,871
Add: Profit for the year	-	-	-	-	38,595	-	-	38,595	1,133	39,728
(Less): Other Comprehensive Income	-	-	-	-	(238)	(247)	(1,516)	(2,001)	-	(2,001)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**38,357**	**(247)**	**(1,516)**	**36,594**	**1,133**	**37,727**
Add: Adjustment pursuant to Business Transfer Agreement (BTA) (Note-52)	1	-	-	-	-	-	-	1	-	1
Transfer pursuant to buyback of shares	-	6	-	(6)	-	-	-	-	-	-
Transactions with Owners in their capacity as owners:										
Less: Dividend	-	-	-	-	(6,208)	-	-	(6,208)	(137)	(6,345)
Less: Utilised for buyback of shares	-	-	-	(5,684)	-	-	-	(5,684)	-	(5,684)
Transactions with other than Owners:										
Less: Tax and transaction costs on buyback of shares	-	-	-	(1,203)	(357)	-	-	(1,560)	-	(1,560)
As at March 31, 2024	**279**	**18**	**2,000**	**372**	**203,690**	**191**	**(9,261)**	**197,289**	**22,721**	**220,010**
Add: Profit for the year	-	-	-	-	45,255	-	-	45,255	1,471	46,726
Add/(Less): Other Comprehensive Income	-	-	-	-	(310)	287	(977)	(1,000)	(2)	(1,002)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**44,945**	**287**	**(977)**	**44,255**	**1,469**	**45,724**
Transactions with Owners in their capacity as owners:										
Less: Dividend	-	-	-	-	(3,019)	-	-	(3,019)	(137)	(3,156)
As at March 31, 2025	**279**	**18**	**2,000**	**372**	**245,616**	**478**	**(10,238)**	**238,525**	**24,053**	**262,578**

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Ahmedabad
May 20, 2025

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Ahmedabad
May 20, 2025

Consolidated Cash Flow Statement for the year ended March 31, 2025

₹ in Million

Particulars		Year ended March 31 2025		Year ended March 31 2024
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**			
	Profit before tax and share of profit of joint ventures			
	Continuing operations	60,267		48,089
	Discontinued operations	-		292
	Profit before tax and share of profit of joint ventures		60,267	48,381
	Adjustments for:			
	Depreciation and Amortisation expense	9,158		7,641
	Exceptional items	2,196		142
	(Gain) on disposal of Property, Plant and Equipment (Net)	(345)		(134)
	FVTPL gain/ profit on sale of investments (Net)	(650)		(409)
	Interest income	(1,852)		(1,268)
	Dividend income	(10)		(13)
	Loss/ (Gain) on valuation of Forward Contract value related to investment in a Joint Venture	60		(976)
	Interest expenses	1,601		756
	Net Loss on Fair Valuation of Swap Contract	191		-
	Exchange rate fluctuation and other related adjustments arising on Consolidation	(1,379)		(883)
	Trade receivables written off	6		3
	Expected credit loss on trade receivables (Net)	293		203
	Doubtful advances written off	144		-
	Allowance for doubtful advances (Net of written back)	21		28
	Provision for employee benefits	167		207
	Provision for probable product expiry claims and return of goods (Net of written back)	603		170
	Total		10,204	**5,467**
	Operating profit before working capital changes		70,471	**53,848**
	Adjustments for:			
	Decrease/ (Increase) in trade receivables	12,558		(7,472)
	(Increase) in inventories	(4,449)		(20)
	Decrease/ (Increase) in other assets	1,109		(1,414)
	Increase/ (Decrease) in trade payables	986		(476)
	Increase in other liabilities	5,111		355
	Total		15,315	**(9,027)**
	Cash generated from operations		85,786	**44,821**
	Income taxes paid (Net of refunds)		(18,019)	(12,858)
	Net cash from operating activities		67,767	**31,963**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**			
	Purchase of property, plant and equipment and intangible assets (including payment towards capital work-in-progress, intangible asset under development and capital advances)	(17,126)		(9,066)
	Proceeds from sale of property, plant and equipment and intangible assets	514		237
	Payment for acquisition of businesses	(3,690)		(7,201)
	Payment for acquisition of joint control	(6,708)		-
	Proceeds from redemption of non-convertible debentures	900		550
	Proceeds from sale of investments in a joint venture	185		-
	Purchase of non current investments	(425)		(1,067)
	Proceeds from sale of non current investments	1,260		-
	Change in Bank balances (including fixed deposits) not considered as cash and cash equivalents	(14,366)		(3,578)
	(Investments in)/ redemption of current investments (Net)	(45,336)		4,077
	Loans to others	(756)		9
	Interest received	1,815		1,274
	Dividend received	10		13
	Net cash (used in) investing activities		(83,723)	**(14,752)**

Consolidated Cash Flow Statement for the year ended March 31, 2025

₹ in Million

Particulars		Year ended March 31 2025	Year ended March 31 2024
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
	Repayment of non current borrowings	-	(827)
	Current borrowings [Net - Proceeds/ (repayment)]	24,020	(3,102)
	Buyback of equity shares [including tax and transaction costs]	-	(7,250)
	Lease liabilities [Net]	42	14
	Interest paid	(895)	(413)
	Dividends paid	(3,025)	(6,210)
	Net cash from/ [used in] financing activities	**20,142**	**(17,788)**
	Net increase/ [decrease] in cash and cash equivalents	**4,186**	**(577)**
	Cash and cash equivalents at the beginning of the year	**4,130**	**4,878**
	Cash and cash equivalents of the acquired subsidiaries	**166**	**60**
	Effect of foreign exchange rate changes on Cash and cash equivalents	**(214)**	**(231)**
	Cash and cash equivalents at the end of the year	**8,268**	**4,130**

Notes to the Cash Flow Statement

1 The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".

2 All figures in brackets are outflows.

3 Summary of Cash and cash equivalents, Bank balance, Current Investments and Fixed Deposits more than 12 months:

₹ in Million

		As at March 31		
		2025	2024	2023
a	Cash and cash equivalents	8,268	4,130	4,878
b	Bank balance other than cash and cash equivalents	21,300	6,921	853
c	Current Investments	48,511	2,525	6,193
d	Fixed Deposits more than 12 month's maturity	3	16	2,506
e	**Total**	**78,082**	**13,592**	**14,430**

4 Change in Liability arising from financing activities:

₹ in Million

	Borrowings		
	Non-Current	Current [Note-22]	Total
As at March 31, 2023	822	10,810	11,632
Cash flow	(827)	(3,102)	(3,929)
Foreign exchange movement	5	(22)	(17)
As at March 31, 2024	**-**	**7,686**	**7,686**
Cash flow	-	24,020	24,020
Foreign exchange movement	-	(11)	(11)
As at March 31, 2025	**-**	**31,695**	**31,695**

For movement of lease liabilities, Refer Note-29.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Ahmedabad
May 20, 2025

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

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Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Ahmedabad
May 20, 2025

Notes to the Consolidated Financial Statements

NOTE: 1-GROUP OVERVIEW:

The consolidated financial statements comprise financial statements of Zydus Lifesciences Limited ("the Parent") (CIN : L24230GJ1995PLC025878) and its subsidiaries (collectively, "the Group") and the joint ventures for the year ended March 31, 2025. The Group is in the business of integrated pharmaceutical operations with business encompassing the entire value chain in the research, development, production, marketing and distribution of pharmaceutical products. The product portfolio of the Group includes Active Pharmaceutical Ingredients (API), human formulations, animal health & veterinary, medical devices and health and wellness products. The Parent's shares are listed on the National Stock Exchange of India Limited and BSE Limited. The registered office of the Parent is located at "Zydus Corporate Park", Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Ahmedabad - 382481. These financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 20, 2025.

NOTE: 2-MATERIAL ACCOUNTING POLICIES:

A The following note provides list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

1 Basis of preparation:

A The Consolidated financial statements have been prepared in all material aspects in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

B The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair values at the end of the reporting periods:

i Derivative financial instruments

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

iii Defined benefit plans

2 Basis of Consolidation:

A The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at March 31, 2025.

Control is achieved when the Group has:

a Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b Exposure, or rights, to variable returns from its involvement with the investee, and

c The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a The contractual arrangement with the other vote holders of the investee.

b Rights arising from other contractual arrangements.

c The Group's voting rights and potential voting rights.

d The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

B The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

C Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

D The financial statements of all entities used for the purpose of consolidation are drawn up to same

Notes to the Consolidated Financial Statements

reporting date as that of the Group, i.e., year ended on March 31. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary.

E Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity

F Profit or loss and each component of other comprehensive income are attributed to the owners of the parent Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the parent Company and to the non-controlling interests even if this results in the non controlling interests having a deficit balance.

G Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent Company.

H When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable Ind ASs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 when applicable, or the cost of initial recognition of an investment in an associate or a joint venture.

3 Business combinations and Goodwill:

A In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward. The same first time adoption exemption is also used for joint ventures.

B Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value. Acquisition-related costs are recognised in profit or loss as incurred.

C At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements acquired in a business combination are recognised and measured in accordance with Ind AS-12 "Income Tax" and Ind AS-19 "Employee Benefits" respectively.

Pursuant to recognition of assets and liabilities at fair value, if any difference arises between their books base and tax base, the same is adjusted as part of Goodwill in accordance with Ind AS-12 "Income Tax".

Notes to the Consolidated Financial Statements

D When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

E Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS-109 "Financial Instruments", is measured at fair value with changes in fair value recognised in Statement of profit and loss. If the contingent consideration is not within the scope of Ind AS-109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequently its settlement is accounted for within equity.

F Goodwill is initially measured at the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as Capital Reserve, without routing the same through OCI.

G After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value less any accumulated impairment. For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

H A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of profit and loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.

I If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through Goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

4 Common Control Transactions:

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

A The assets and liabilities of the combining entities are reflected at their carrying amounts.

B No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

C The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.

D The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

E The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of Share Capital of the transferor is transferred to Capital Reserve and is presented separately from other Capital Reserves.

Notes to the Consolidated Financial Statements

F Wherever any business combination is governed by the Scheme approved by the Hon'ble High Court/ NCLT, the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

5 Investment in joint ventures:

A The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment in joint ventures is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint ventures since the acquisition date.

B The Statement of profit and loss reflects the Group's share of the results of operations of the joint ventures. Any change in OCI of those investees is presented as a part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint ventures, the Group recognises its share of any changes, when applicable, in the Statement of changes in equity.

C If an entity's share of losses of joint ventures equals or exceeds its interest in the joint ventures (which includes any long term interest that, in substance, forms part of the Group's net investment in the joint ventures), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

D An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture.

On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in capital reserve in the period in which the investment is acquired.

E The financial statements of the joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

F After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value, and then recognises the loss as "Share of profit/ (loss) of joint ventures" in the Statement of profit and loss.

G The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture.

When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest as difference between fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS.

H The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

I When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other

Notes to the Consolidated Financial Statements

comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

6 Use of key 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 income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. 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 consolidated 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.

Critical accounting judgments and estimates:

A Property, Plant and Equipment:

Property, Plant and Equipment represent a large proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as changes in technology. Refer note-2 (11).

B Impairment of goodwill and intangible assets (including intangible under development):

Significant judgments are involved in determining the estimated future cash flows from the Goodwill and intangible assets (including intangible under development) to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials. Refer Note-3.

C Employee benefits:

Actuarial valuation involves key assumptions of life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans. Refer Note-20.

D Product expiry claims and chargebacks:

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists. Significant judgments are involved in determining the value of chargebacks on the basis of terms of agreement with the customers and Government schemes in USA. Refer Note-26.

E Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and probability of utilisation of Minimum Alternate Tax (MAT) Credit in future. Refer Note-40.

F Contingent liabilities and litigations:

Significant judgments are involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources. Refer Note-28.

7 FOREIGN CURRENCY TRANSACTIONS:

The Group's consolidated financial statements are presented in Indian Rupees (₹), which is the functional currency of the Parent Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

A The transactions in foreign currencies are translated into functional currency by the Groups' entities at their respective functional currency rates of exchange prevailing on the dates of transactions.

B Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

C Foreign exchange differences regarded as adjustments to borrowing costs are presented in the Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

D Investments in foreign companies are recorded in functional currency of the entity at the rates of exchange prevailing at the time when the investments were made.

F **Group Companies:**

a On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their Statements of profit and loss are translated at average exchange rates prevailing during the year. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

b Any Goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the reporting date.

c Any Goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1, 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the Parent and no further translation differences occur.

d Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition to IND AS, viz., April 1, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

8 REVENUE RECOGNITION:

A The following is the accounting policy related to revenue recognition under Ind AS 115.

a **Sale of Goods:**

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer.

Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights.

The goods are often sold with volume discounts/ pricing incentives/ chargebacks/ rebates and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts/ MRP, net of discounts, sales tax/ Goods and Services Tax (GST), chargebacks and other similar allowances. When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

Historical experience, specific contractual terms and future expectations of sales are used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Group.

b **License Fees:**

License fees primarily consist of income from the outlicensing of intellectual property and other licensing and supply arrangements with various parties. Revenue from license fees is recognised when control transfers to the third party and the Group's performance obligations are satisfied. Some of these arrangements include certain performance obligations by the Group.

Revenue from such arrangements is recognised in the period in which the Group completes all its performance obligations.

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c **Royalty income:**

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

d **Service Income:**

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of indirect taxes, wherever applicable.

e **Other Income:**

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

9 GOVERNMENT GRANTS:

A Government grants are recognised only when there is a reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

B When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

C Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.

D When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

10 TAXES ON INCOME:

Tax expenses comprise of current and deferred tax.

A **Current Tax:**

a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961 for Indian entities or provisions of respective countries where the group operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Current tax items are recognised in co-relation to the underlying transaction either in profit or loss, OCI or directly in Equity.

B **Deferred Tax:**

a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b Deferred tax liabilities are recognised for all taxable temporary differences.

c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

e Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

f Deferred tax items are recognised in co-relation to the underlying transaction either in profit or loss, OCI or directly in equity.

g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

h Deferred tax liabilities are not recognised for temporary differences between the carrying amount

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and tax bases of investments in subsidiaries and interest in joint arrangement where the group is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangement where it is not probable that the group is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

i Minimum Alternate Tax (MAT)/ Alternate Minimum Tax (AMT) paid in a year is charged to the Statement of Profit and Loss as current tax.

j The Group recognizes MAT credit available as an asset only when and to the extent there is a convincing evidence of actual utilisation of such credit and also based on historical experience that the Group will pay normal income tax during the specified period i.e. the period for which MAT Credit is allowed to be carried forward. Such asset, if recognised, is reviewed at each Balance sheet date and the carrying amount is written down to the extent there is no longer a convincing evidence that the Group will be liable to pay normal tax during the specified period.

11 PROPERTY, PLANT AND EQUIPMENT:

A Freehold land is carried at historical cost, less impairment, if any. All other items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost (Net of Input tax credit received/ receivable) includes related expenditure and project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met. 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 associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the Statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.

B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

C Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 which may be different for foreign entities. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

The estimated useful lives are as follows:

Asset Class	No. of years
Leasehold Land	Over the period of lease
Buildings	10 to 60 Years
Plant and Equipment	2 to 15 Years
Furniture, Fixtures and Office Equipments	3 to 10 Years
Vehicles	4 to 8 Years

D Depreciation on impaired assets is calculated on the reduced values, if any, on a systematic basis over its remaining useful lives.

E Depreciation on additions/ disposals of the Property, Plant and Equipment during the year is provided on pro-rata basis according to the period during which assets are used.

F Where the actual cost of purchase of an asset is below ₹ 10,000/-, the depreciation is provided @ 100 %.

G Capital work in progress is stated at cost less accumulated impairment loss, if any.

H An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the

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carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

12 INTANGIBLE ASSETS:

A Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

B Internally generated intangibles are not capitalised and the related expenditure is reflected in Statement of profit and loss in the period in which the expenditure is incurred.

C Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated useful lives.

D Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life as estimated by the management at the time of capitalisation.

E Acquisition cost of separately acquired research and development intangible assets, which are under development, are recognised as In-Process Research and Development assets (IPR&D). Additional cost incurred on further in house development of such assets are charged to the Statement of Profit and Loss of the year in which it is incurred. Such assets are not amortised, but tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

F Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

G Intangible assets under development is stated at cost less accumulated impairment loss, if any.

H An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

The estimated useful lives are as follows:

Asset Class	No. of years
Brands/ Trademarks/ Other intangibles	3 to 15 Years
Technical Know-how, Commercial Rights	3 to 10 Years
Computer Software	3 to 5 Years

13 RESEARCH AND DEVELOPMENT COST:

A Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.

B Capital expenditure on research and development equipment is given the same treatment as Property, Plant and Equipment.

14 BORROWING COSTS:

A Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per Effective Interest Rate (EIR) method.

Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

B Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

15 IMPAIRMENT OF NON FINANCIAL ASSETS:

The Property, Plant and Equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets

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(cash generating units). Non-financial assets other than Goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

16 INVENTORIES:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **A** Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realisable value.
- **B** Cost (Net of Input tax credit availed) of Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods and Stock-in-Trade is determined on Moving Average Method.
- **C** Costs of Finished Goods and Work-in-Progress are determined by taking material cost (Net of Input tax credit availed), labour and relevant appropriate overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Write down of inventories to net realisable value is recognised as an expense and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and "Cost of Materials Consumed" in the relevant note in the Statement of Profit and Loss.

17 CASH AND CASH EQUIVALENTS:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

18 LEASES:

As a lessee:

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Measurement and recognition of leases as a lessee:

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in financial liabilities.

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As a lessor:

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

19 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A Provisions are recognised when the Group has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure of contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

20 PROVISION FOR PRODUCT EXPIRY CLAIMS:

Provisions for product expiry related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of product expiry claim related costs is revised annually.

21 EMPLOYEE BENEFITS:

A Short term obligations:

Liabilities for wages and salaries, including earned leave and sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

B Long term employee benefits obligations:

a Leave Wages and Sick Leave:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months period after the end of the period in which the employees render the related service. They are therefore, measured at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method, as determined by actuarial valuation, performed by an independent actuary. The benefits are discounted using the market yields at the end of reporting period that have the terms approximating to the terms of the related obligation. Gains and losses through re-measurements are recognised in Statement of profit and loss.

b Defined Benefit Plans:

i Gratuity:

The Group provides for gratuity, a defined benefit plan covering eligible employees of the Parent, its subsidiaries in India and few overseas subsidiaries. The gratuity contributions of the Parent and its Indian subsidiaries are to be made to separately administered fund through insurance companies through Employees Group Gratuity Plan. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at end of the reporting period using the projected unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the Statement of Profit and Loss.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the

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period in which they occur directly in "other comprehensive income" and are included in retained earnings in the Statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and

ii Net interest expense or income.

ii Group administered Provident Fund:

In case of a specified class of employees of the Parent, who are eligible to receive benefits of Group administered provident fund, monthly contributions of such employees and the Group are deposited to Employees' Provident Fund Trust. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

Contributions to such provident fund are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

c Defined Contribution Plans - Provident Fund Contribution:

Specified class of employees receive benefits of provident fund, which is a defined contribution plan. Both the eligible employee and the entities make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond their monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

For details of significant post employment benefit plans refer Note-20.

C Employee Separation Costs:

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

22 DIVIDENDS :

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Parent's Board of Directors.

23 FINANCIAL INSTRUMENTS:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A Financial Assets:

a Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the Group settles to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

i Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

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The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii **Debt instruments at fair value through other comprehensive income (FVTOCI):**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objectives of both collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii **Debt instruments and derivatives at fair value through profit or loss (FVTPL):**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv **Equity instruments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Group has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c **Derecognition:**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that

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reflects the rights and obligations that the Group has retained. When the Group has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

d Impairment of financial assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it requires the Group to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all Qpossible default events over the expected life of a financial instrument.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance , i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics.

B Financial Liabilities:

a Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured at amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c Derecognition:

A financial liability is derecognised 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

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different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition 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.

d Embedded derivatives:

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

C Reclassification of financial assets:

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

24 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING:

Derivatives are recognised initially at fair value and subsequently at fair value through profit and loss.

Fair value hedges:

The Group applies fair value hedge accounting for changes in fair value of trade receivables (non-derivative financial assets) attributable to foreign currency risk. The Group designates certain non-derivative foreign currency financial liabilities (hedging instrument) to hedge the risks of changes in fair value of trade receivables attributable to the movement in foreign exchange rates. The Group documents, at the time of designation, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking such hedging transactions. The Group also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the risk management objectives are met with the hedging relationship.

Changes in fair values of both hedging instruments and hedged items are recognised in foreign exchange gains / losses as a part of other income or other expenses as the case may be. If the hedge no longer meets the criteria for hedge accounting, this accounting treatment is discontinued.

Net Investment hedges:

The Group applies net investment hedge for hedges of adjustments arising from translating the functional currency financial statements of foreign operations (hedges of net investments) into functional currency of the Parent. The effective portion of change in the fair value of non-derivative financial liabilities is recorded as a foreign currency translation adjustment in other comprehensive income in Group's Consolidated Statement of Comprehensive Income. The change in fair value of the hedging instrument relating to the effective portion of the hedge are subsequently recognised in Group's Consolidated Income Statement on disposal of the foreign operation(s). The ineffective portion of the change in fair value of the non-derivative financial liabilities is recognised in Group's Consolidated Income Statement.

25 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

Notes to the Consolidated Financial Statements

that the transaction to sell the asset or transfer the liability takes place either:

a In the principal market for the asset or liability, or

b 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.

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. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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:

a Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c 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 recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

26 NON-CURRENT ASSETS AND DISPOSAL GROUP HELD FOR SALE:

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. The fair value of the disposal groups is estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

27 SEGMENT REPORTING:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group.

28 EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

B Recent Accounting Pronouncements:

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified amendments to Ind AS 116 – Leases relating to sale and lease back transactions, applicable from April 1, 2024. The Group has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

On May 7, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable.

The amendments are effective for the year beginning from April 1, 2025. The Group has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

Notes to the Consolidated Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT:

[A] Property, Plant and Equipment:

₹ in Million

	Freehold Land	Leasehold Land #	Buildings #	Plant and Equipment	Furniture and Fixtures	Vehicles #	Office Equipment	Total
Gross Block:								
As at March 31, 2023	**4,411**	**1,847**	**20,748**	**69,934**	**2,052**	**1,350**	**1,649**	**101,991**
Acquired under BTA *	-	20	373	68	4	-	3	468
Acquired Subsidiaries **	-	-	174	76	18	1	-	269
Additions	45	11	1,227	5,580	111	354	110	7,438
Disposals	-	(5)	(83)	(195)	(3)	(129)	-	(415)
Asset held for sale ***	-	(104)	(426)	-	-	-	-	(530)
Other adjustments	1	(56)	(107)	(213)	(3)	15	(7)	(370)
As at March 31, 2024	**4,457**	**1,713**	**21,906**	**75,250**	**2,179**	**1,591**	**1,755**	**108,851**
Acquired Subsidiaries **	-	-	-	4	2	-	-	6
Additions	123	46	1,438	6,646	130	589	78	9,050
Disposals	(3)	-	(26)	(1,377)	(32)	(196)	(9)	(1,643)
Reclassified from Asset held for sale ***	-	104	426	-	-	-	-	530
Other adjustments	2	(18)	(11)	(92)	(17)	(40)	(1)	(177)
As at March 31, 2025	**4,579**	**1,845**	**23,733**	**80,431**	**2,262**	**1,944**	**1,823**	**116,617**
Depreciation and Impairment:								
As at March 31, 2023	**-**	**152**	**4,967**	**36,775**	**1,175**	**707**	**1,250**	**45,026**
Depreciation for the year	-	18	656	5,187	140	188	160	6,349
Disposals	-	(3)	(79)	(146)	(2)	(82)	-	(312)
Asset held for sale ***	-	(10)	(163)	-	-	-	-	(173)
Other adjustments	-	(1)	(1)	(72)	(2)	8	(4)	(72)
As at March 31, 2024	**-**	**156**	**5,380**	**41,744**	**1,311**	**821**	**1,406**	**50,818**
Depreciation for the year	-	20	719	5,671	150	213	122	6,895
Disposals	-	-	(21)	(1,289)	(30)	(125)	(9)	(1,474)
Reclassified from Asset held for sale ***	-	10	163	-	-	-	-	173
Other adjustments	-	(2)	7	(196)	2	(24)	(2)	(215)
As at March 31, 2025	**-**	**184**	**6,248**	**45,930**	**1,433**	**885**	**1,517**	**56,197**
Net Block:								
As at March 31, 2024	**4,457**	**1,557**	**16,526**	**33,506**	**868**	**770**	**349**	**58,033**
As at March 31, 2025	**4,579**	**1,661**	**17,485**	**34,501**	**829**	**1,059**	**306**	**60,420**

Notes to the Consolidated Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT: (Continued)

(B) Intangible Assets:

₹ in Million

		Other Intangible Assets					
	Goodwill	Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	Other Intangibles	Total
Gross Block:							
As at March 31, 2023	**54,088**	**14,041**	**2,555**	**8,667**	**2,096**	**-**	**27,359**
Acquired under BTA *	-	-	1	-	-	-	1
Acquired Subsidiaries **	4,616	2,765	1	-	-	907	3,673
Additions	-	34	347	-	-	-	381
Disposals	-	-	(2)	-	-	-	(2)
Other adjustments	77	12	10	112	20	-	154
As at March 31, 2024	**58,781**	**16,852**	**2,912**	**8,779**	**2,116**	**907**	**31,566**
Acquired Subsidiaries **	905	2,902	-	-	-	-	2,902
Additions	-	63	482	4,556	435	-	5,536
Disposals	-	-	(74)	-	(62)	-	(136)
Other adjustments	359	159	10	279	(20)	40	468
As at March 31, 2025	**60,045**	**19,976**	**3,330**	**13,614**	**2,469**	**947**	**40,336**
Amortisation and Impairment:							
As at March 31, 2023	**6,044**	**6,540**	**1,814**	**7,927**	**878**	**-**	**17,159**
Amortisation for the year	-	689	296	141	46	120	1,292
Disposals	-	-	(2)	-	-	-	(2)
Other adjustments	77	11	5	109	-	-	125
As at March 31, 2024	**6,121**	**7,240**	**2,113**	**8,177**	**924**	**120**	**18,574**
Amortisation for the year	-	921	290	663	79	308	2,261
Impairment for the year ^	1,350	-	-	-	846	-	846
Disposals	-	-	(74)	-	(62)	-	(136)
Other adjustments	153	47	2	228	4	14	295
As at March 31, 2025	**7,624**	**8,208**	**2,331**	**9,068**	**1,791**	**442**	**21,840**
Net Block:							
As at March 31, 2024	**52,660**	**9,612**	**799**	**602**	**1,192**	**787**	**12,992**
As at March 31, 2025	**52,421**	**11,768**	**999**	**4,546**	**678**	**505**	**18,496**

\# Includes right of use assets, refer Note-29 for detailed breakup.

* Refer Note-52

** Refer Note-53 A and B

*** Refer Note-51 B

^ Refer Note-46

Other adjustments include adjustments on account of exchange rate difference.

Notes to the Consolidated Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT: (Continued)

Goodwill:

1 Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) those are expected to get benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Consumer Wellness (Refer Note-53 A)	40,346	39,441
India Human Formulations	5,296	5,296
US Generics	1,472	1,472
Brazil Formulations (Refer Note-46 (1))	-	1,350
South Africa Formulations	324	324
Europe Generics	144	144
Liquid orals (Refer Note-53 B)	4,822	4,616
Others	17	17
Total	**52,421**	**52,660**

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU/ groups of CGU over a period of five years. An average of the range of key assumptions used is mentioned below. As of March 31, 2025 and March 31, 2024 the estimated recoverable amount of the CGU exceeded its carrying amount. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows :

	As at March 31, 2025	As at March 31, 2024
Long Term Growth Rate (Based on historical experience)	0% - 11.80%	0% - 11.80%
Discount Rate	9.00%-21.01%	9.00%-23.30%

These estimates are likely to differ from future actual results of operations and cash flows.

The Group has conducted analysis of the sensitivity of impairment test to changes in the key assumptions used to determine the recoverable amount for each of the CGUs to which goodwill is allocated. The management believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

(C) Capital work-in-progress:

a Summarised Statement for movement in Capital-work-in-progress:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	11,115	11,302
Add: Expenditure incurred during the year	16,591	7,419
Add: Other directly attributable costs	59	213
Less: Capitalized during the year	(14,586)	(7,819)
Balance as at the end of the year	**13,179**	**11,115**

Notes to the Consolidated Financial Statements

NOTE: 3-PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT: (Continued)

b Ageing of Capital-work-in-progress:

₹ in Million

		As at March 31, 2025	As at March 31, 2024
Projects in progress:			
i	Less than 1 year	7,538	3,975
ii	1 - 2 years	2,466	5,311
iii	2 - 3 years	2,744	1,650
iv	More than 3 years	431	179
Total Capital Work-in-Progress		**13,179**	**11,115**

There are no overdue or temporary suspended projects.

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

(D) Intangible Assets under Development:

a Ageing of Intangible Assets under Development:

₹ in Million

		As at March 31, 2025	As at March 31, 2024
Projects in progress:			
i	Less than 1 year	694	12,413
ii	1 - 2 years	12,341	-
iii	2 - 3 years	-	-
iv	More than 3 years	705	705
Total Intangible Assets under Development		**13,740**	**13,118**

There are no intangible asset under development where completion is overdue or cost has exceeded as compared to its original plans.

NOTE: 4-INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD:

The Group has 50% interest in Zydus Takeda Healthcare Private Limited, Zydus Hospira Oncology Private Limited, Sterling Biotech Limited * and Oncosol Limited, 24.99998% interest in Bayer Zydus Pharma Private Limited (Refer Note-51 C). The Group's interest in all the entities is accounted using the "equity method" in the Consolidated Financial Statements (CFS).

A Summarised financial information of the material Joint Venture are as under:

₹ in Million

		As at March 31, 2025	As at March 31, 2024
Sterling Biotech Limited (SBL):			
a	Summarised Balance Sheet:		
	Non-Current Assets	6,590	-
	Current Assets	3,934	-
	Non-Current Liabilities	(29)	-
	Current Liabilities	(979)	-
	Equity	**9,516**	**-**
	Carrying amount of investment of the Group	**6,929**	**-**

Notes to the Consolidated Financial Statements

NOTE: 4-INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD: (Continued)

₹ in Million

		As at March 31, 2025	As at March 31, 2024
b	Summarised Statement of Profit and Loss:		
	Revenue	2,821	-
	Profit after Tax	472	-
	Other Comprehensive Income for the year, net of tax	(29)	-
	Total Comprehensive Income for the year, net of Tax	443	-
	Group's share of Profit after Tax for the year	**236**	**-**
	Group's share of OCI for the year	**(15)**	**-**
c	Group's share in Contingent liabilities	158	-
d	Group's share in Commitments	-	-
e	Group's share in dividend declared by SBL during the year	-	-

B Summarised financial information of individually immaterial Joint Ventures are as under:

₹ in Million

		As at March 31, 2025	As at March 31, 2024
a	Summarised Balance Sheet:		
	Non-Current Assets	2,817	3,323
	Current Assets	7,644	6,800
	Non-Current Liabilities	(457)	(234)
	Current Liabilities	(1,002)	(1,567)
	Equity	**9,002**	**8,322**
	Carrying amount of investment of the Group	**4,502**	**4,162**
b	Summarised Statement of Profit and Loss:		
	Revenue	8,198	14,096
	Profit after Tax	684	2,457
	Other Comprehensive Income for the year, net of tax	(6)	(6)
	Total Comprehensive Income for the year, net of Tax	678	2,451
	Group's share of Profit after Tax for the year	**342**	**1,184**
	Group's share of OCI for the year	**(4)**	**(3)**
c	Group's share in Contingent liabilities	984	977
d	Group's share in Commitments	130	45
e	Group's share in dividend declared during the year	-	750

[*] Pursuant to the Share Purchase and Share Subscription Agreement (SPSSA) entered on August 23, 2024, Zydus Animal Health and Investments Limited, a wholly owned subsidiary of the Parent, has completed the acquisition of 50% stake of Sterling Biotech Limited (SBL) on August 29, 2024. Consequently, SBL has become a Joint Venture of the Group w.e.f. August 29, 2024. The cost of acquisition was ₹ 5,500 Million subject to certain adjustments with respect to cash and debt (including debt like items) as mentioned in the SPSSA.

Notes to the Consolidated Financial Statements

NOTE: 5-INVESTMENTS (NON-CURRENT):

₹ in Million

	Face Value (*)	Nos. (**)	As at March 31, 2025	As at March 31, 2024
Investment in Equity Instruments (Valued at cost):				
Subsidiary Company (Unquoted):				
In fully paid-up equity shares of:				
Zydus Foundation [1]	10	50,000	-	1
Investment in Non-convertible Debentures (Valued at amortised cost):				
Subsidiary Company (Quoted):				
Zydus Foundation	1,000,000	0 (900)	-	830
Investments (Valued at fair value through OCI):				
In fully paid-up Common Stock of:				
Quoted:				
Traws Pharma Inc., USA [2] (₹: 2,360 (as at March 31, 2024: ₹ 24,352))	$0.01	12 (289)	-	-
Palvella Therapeutics Inc., USA [3]	$0.001	57,177 (1,415,539)	137	22
			137	**22**
Investments in fully paid-up Equity Instruments:				
Quoted:				
HDFC Bank Limited	1	376,760	689	545
Kokuyo Camlin Limited	1	72,090	7	8
Camlin Fine Chemicals Limited (Formerly known as Camlin Fine Sciences Limited)	1	152,000	25	13
Accelya Solutions India Limited (Formerly known as Accelya Kale Consultants Limited)	10	383	1	1
Reliance Industries Limited	10	348	1	1
Jio Financial Services Limited (₹: 79,135 (as at March 31, 2024: ₹ 123,122))	10	348	-	-
Vedanta Limited	10	57,750	27	16
Tanla Solution Limited	1	2,026	1	2
			751	**586**
Unquoted:				
BEIL Infrastructure Limited (₹ 12,140/-)	10	1,214	-	-
Narmada Clean Tech	10	625,813	6	6
Enviro Infrastructure Company Limited	10	50,000	1	1
GVFL Limited	10	50,000	1	1
Saraswat Co-Op Bank Limited (₹ 20,350/-)	10	2,500	-	-
The Shamrao Vithal Co-Op Bank Limited (₹ 2,500/-)	25	100	-	-
The Green Environment Co-operative Society Limited (₹ 5,000/-)	100	50	-	-
Shivalik Solid Waste Management Limited (₹ 200,000/-)	10	20,000	-	-
Mylab Discovery Solutions Private Limited [4]	1	0 (6,506,500)	-	1,060
AMP Energy Green Nine Private Limited	10	1,406,790	20	14
AMP Energy Green Thirteen Private Limited	10	72,000	1	1
			29	**1,083**
			780	**1,669**

Notes to the Consolidated Financial Statements

NOTE: 5-INVESTMENTS (NON-CURRENT): (Continued)

₹ in Million

	Face Value (*)	Nos. (**)	As at March 31, 2025	As at March 31, 2024
Investments in Partnership Firm (Unquoted):				
ABCD Technologies LLP			404	297
Brightseed B LLP			4	4
			408	**301**
Investments (Valued at amortised cost)(Unquoted):				
In fully paid-up, 1%, Redeemable Cumulative preference Shares of				
Enviro Infrastructure Company Limited	10	900,000	9	9
In fully paid-up Preferred Stock of:				
Promaxo, Inc.	$0.00001	219,879 (0)	154	-
Neuro42, Inc.	$0.0001	228,450 (0)	86	-
Illexcor Holdings, LLC			85	-
			325	**-**
			334	**9**
Investment in Bonds(Quoted):				
Valued at amortised cost:				
In fully paid-up Bonds of:				
9.75% Piramal Enterprises Limited	1,000,000	35	35	35
9.00% Indiabulls Housing Finance Limited	1,000	40,000	40	40
			75	**75**
Valued at fair value through profit or loss:				
In fully paid-up Bonds of:				
7.95% Bank of Baroda Perpetual	10,000,000	100	1,000	1,001
8.75% State Bank of India Perpetual	1,000,000	0 (100)	-	100
7.73% State Bank of India Perpetual Series II	1,000,000	650	652	654
9.04% Bank of India Perpetual Series VI	1,000,000	450	452	453
8.50% Bank of Baroda Perpetual Series XIV	1,000,000	20	20	20
8.99% Bank of Baroda Perpetual Series XI	1,000,000	0 (50)	-	51
8.50% State Bank of India Perpetual	1,000,000	0 (50)	-	50
7.72% State Bank of India Perpetual	10,000,000	25	250	251
			2,374	**2,580**
			2,449	**2,655**
Investment in Compulsorily Convertible Debentures (Valued at amortised cost) (Unquoted):				
In fully paid-up Debentures of:				
AMP Energy Green Nine Private Limited	1,000	126,613	22	25
AMP Energy Green Thirteen Private Limited	1,000	6,480	6	6
			28	**31**
Total			**4,136**	**5,518**
a i Aggregate book value of quoted investments			3,337	4,093
ii Market value of quoted investments			3,337	4,093
b Aggregate book value of unquoted investments			799	1,425

Notes to the Consolidated Financial Statements

NOTE: 5-INVESTMENTS (NON-CURRENT): (Continued)

Explanations:

a In "Face Value (*)", figures in Indian Rupees unless stated otherwise.

b In "Nos. (**)" figures of previous year are same unless stated in ( ).

(1) During the year, the Parent has entered into an arrangement with Zydus Family Trust (ZFT), a related party, whereby Zydus Foundation would cease to be subsidiary of the Parent from the effective date as per the arrangement. Zydus Foundation is a Section 8 not for profit Company exclusively engaged in charitable activities.

The said arrangement is subject to necessary approvals which are under process at the year end.

(2) Onconova Therapeutics Inc. has changed its name to Traws Pharma Inc. (Traws) with effect from April 3, 2024. Traws has announced reverse common stock split of 1 common stock for every 25 common stocks held as on September 20, 2024.

(3) Pieris Pharmaceuticals Inc. (Pieris) has announced reverse stock split of 1 common stock for every 80 common stocks held as on April 23, 2024. Pieris has merged with Palvella Therapeutics Inc. (Palvella) with exchange ratio of 0.30946 common stock of Pieris common stock for each common stock of Palvella.

(4) Zydus Animal Health and Investments Limited (ZAHIL), a wholly owned subsidiary of the Parent, had entered into a Share Purchase Agreement with Rising Sun Holdings Private Limited (RSHPL) and Mylab Discovery Solutions Private Limited (Mylab) to acquire 6,506,500 equity shares having face value of ₹ 1/- each at consideration of ₹1,060 Million representing 6.5% of the total paid-up equity share capital of Mylab. The ultimate number of shares to be held can change, as per the terms of the Agreement, based on the financial performance of Mylab for the year ended on March 31, 2024.

Pursuant to the terms and conditions of the Share Purchase Agreement, on December 16, 2024, ZAHIL exercised its Put Option right to sell 6,506,500 equity shares having face value of ₹ 1/- each (Sale Shares) back to RSHPL and RSHPL agreed to acquire the Sale Shares at the original consideration amount i.e. ₹ 1,060 Million. In view of the same, ZAHIL ceased to hold any shares of Mylab.

NOTE: 6-OTHER FINANCIAL ASSETS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
(Unsecured, Considered Good unless otherwise stated)		
Security Deposits	331	314
Fixed deposits with maturity more than 12 months	3	16
Others	75	83
Total	**409**	**413**

Notes to the Consolidated Financial Statements

NOTE: 7-DEFERRED TAX:

₹ in Million

	Consolidated Balance Sheet As at March 31		Statement of Profit and Loss Year ended March 31	
	2025	2024	2025	2024
Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:				
Deferred Tax Liabilities:				
Depreciation	4,303	3,085	1,218	(705)
Fair value adjustment - Financial instruments	60	165	(105)	-
Pursuant to fair valuation of assets and liabilities acquired under business combination (Refer Note-53 B)	3,858	3,850	8	(74)
Total	**8,221**	**7,100**	**1,121**	**(779)**
Deferred Tax Assets:				
Employee benefits/ Payable to statutory authorities	2,045	1,590	455	(137)
Inventory and related items	11,190	5,425	5,765	1,568
Receivables	6,717	4,512	2,205	3,116
Unabsorbed depreciation and losses	2,154	1,931	223	839
MAT credit entitlement	3,741	5,173	(1,432)	(405)
Others	686	446	240	(539)
Total	**26,533**	**19,077**	**7,456**	**4,442**
Net Deferred Tax (Assets)	**(18,312)**	**(11,977)**	**(6,335)**	**(5,221)**
Out of above:				
a Disclosed as Deferred Tax Assets	23,438	16,442	-	-
b Disclosed as Deferred Tax Liabilities	5,126	4,465	-	-
c Included in Profit or Loss of continuing operations	-	-	(6,374)	(5,151)
d Included in items of OCI as appropriate	-	-	39	(70)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

For the financial year ended March 31, 2024, the Parent had computed the provision for income tax assuming that the option permitted under section 115BAA of the Income Tax Act, 1961 would be exercised while filing the income tax return for the said financial year. Accordingly, the Parent had recognised provision for income tax for the year ended March 31, 2024 and re-measured its deferred tax assets and liabilities basis the rate prescribed in the said section. The final decision with respect to the election of the said option under section 115BAA of the Income Tax Act, 1961 was required to be taken by the Parent at the time of filing the income tax return for the year ended March 31, 2024. However, during the year, while filing the income tax return for the financial year ended March 31, 2024, the Parent has decided not to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 and has filed the return as per the normal provisions of the Income Tax Act, 1961. Accordingly, the Parent has re-measured its tax provisions, the full impact of this change has been recognised in the statement of Profit and Loss for the year ended March 31, 2025 (Refer Note-40).

The Group has tax losses which arose in India of ₹ 6,166 (as at March 31, 2024: ₹ 9,459) Million. Out of these, losses of ₹ 4,359 (as at March 31, 2024: ₹ 5,476) Million represents business losses which are available for offset for eight years against future taxable profits of the companies in which the losses arose. Majority of these business losses will expire in March 2032. Remaining losses of ₹ 1,807 (as at March 31, 2024: ₹ 3,983) represent the unabsorbed depreciations which will be available for set-off against the future taxable profits for indefinite period. MAT Credit not recognised as at March 31, 2025 is ₹ 354 Million (March 31, 2024: ₹ 354 Million). Such MAT credit has not been recognised and included as a component of deferred tax asset in the balance sheet, as, on the basis of the assessment made by the management of the respective Company's profitability and operational plans in the foreseeable future, the management is of the view that presently, there is no convincing evidence that the respective Company

Notes to the Consolidated Financial Statements

NOTE: 7-DEFERRED TAX: (Continued)

would be liable to pay income tax under the normal provisions of the Income-tax Act for the periods up to which the Company is eligible to utilise the unused MAT credit.

The deferred tax assets have not been recognised in respect of unabsorbed losses of subsidiaries amounting to ₹ 9,255 (as at March 31, 2024: ₹ 8,057) Million as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries amounting to ₹ 6,380 Million and ₹ 5,328 Million as at March 31, 2025 and 2024 respectively has not been recognized.

NOTE: 8-OTHER NON-CURRENT ASSETS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
(Unsecured, Considered Good unless otherwise stated)		
Capital Advances - Considered Good	1,998	1,344
Capital Advances - Credit impaired	72	72
	2,070	**1,416**
Less: Allowances for credit impaired	72	72
	1,998	**1,344**
Balances with Statutory Authorities	428	579
Others	216	210
Total	**2,642**	**2,133**

NOTE: 9-ASSETS FOR CURRENT TAX (NET):

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Advance payment of Tax (Net of provision for taxation)	1,244	1,208
Total	**1,244**	**1,208**

NOTE: 10-INVENTORIES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
(The Inventory is valued at lower of cost and net realisable value)		
Classification of Inventories:		
Raw Materials	13,228	10,212
Work-in-progress	6,619	6,055
Finished Goods	8,210	6,742
Stock-in-Trade	9,578	9,761
Packing Materials	1,805	1,649
Total	**39,440**	**34,419**

Notes to the Consolidated Financial Statements

NOTE: 10-INVENTORIES: (Continued)

₹ in Million

	As at March 31, 2025	As at March 31, 2024
The above includes Goods in transit as under:		
Raw Materials	190	360
Stock-in-Trade	466	315
Packing Materials	14	66
Amount recognised as an expense in Statement of profit and loss resulting from write-down of inventories:		
- Net off reversal of write-down	102	44

For details of inventories pledged as security, refer Note-22.

In respect of goods where provision has been made for expected returns within the expiry period, the Group recognises an asset, i.e., right to the returned saleable goods (included in inventories) for the products expected to be returned in saleable condition. The Group initially measures this asset at the original carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of returned goods. The Group updates the measurement of the asset recorded for any revision to its expected level of returns, as well as any further decrease in value of the returned products. The value of such goods is ₹ 152 (as at March 31, 2024: ₹ 120) Million.

NOTE: 11-INVESTMENTS (CURRENT):

₹ in Million

	Nos. (*)	As at March 31, 2025	As at March 31, 2024
Investment in Mutual Funds (Quoted) (Valued at fair value through profit or loss):			
ICICI Prudential Overnight Fund - Direct Plan - Growth Option	503,524.498 (1,956,422.89)	693	2,525
HDFC Overnight Fund - Direct Plan - Growth Option	48,405.51 (0)	183	-
ICICI Prudential Liquid Fund - Direct Plan - Growth Option	5,805,228.391 (0)	2,229	-
HDFC Liquid Fund - Direct Plan - Growth Option	29,329.338 (0)	149	-
		3,254	**2,525**
Investment in others (Quoted):			
Valued at amortised cost:			
Bonds		969	-
Commercial Papers		12,714	-
Certificate of Deposits		5,749	-
Inter Corporate Deposits		2,011	-
		21,443	**-**
Valued at fair value through profit or loss:			
Government Securities (**)		23,814	-
Total		**48,511**	**2,525**

(*) In "Nos." figures of previous year are stated in ( ).

(**) Includes ₹ 21,667 (as at March 31, 2024: Nil) Million given as collateral security for borrowings.

Notes to the Consolidated Financial Statements

NOTE: 12-TRADE RECEIVABLES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Secured - Considered good	1,521	943
Unsecured - Considered good	39,440	51,692
Unsecured - Credit impaired	23	23
	40,984	**52,658**
Less: Allowances for credit losses	737	456
Total	**40,247**	**52,202**

Ageing of Trade Receivables :

₹ in Million

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
	As at March 31, 2025						
Undisputed – considered good	35,817	4,008	306	263	108	458	40,960
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	5	5	1	-	11
Disputed – considered good	-	-	-	-	1	-	1
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	5	2	5	12
Total	**35,817**	**4,008**	**311**	**273**	**112**	**463**	**40,984**
Less: Allowances for credit losses							(737)
Trade Receivables							**40,247**

₹ in Million

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
	As at March 31, 2024						
Undisputed – considered good	49,081	2,766	285	102	168	233	52,635
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	5	8	1	4	18
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	1	4	5
Total	**49,081**	**2,766**	**290**	**110**	**170**	**241**	**52,658**
Less: Allowances for credit losses							(456)
Trade Receivables							**52,202**

Notes to the Consolidated Financial Statements

NOTE: 13-CASH AND BANK BALANCES:

₹ in Million

		As at March 31, 2025	As at March 31, 2024
A	**Cash and Cash Equivalents:**		
	Balances with Banks	8,262	4,125
	Cash on Hand	6	5
	Total	**8,268**	**4,130**
B	**Bank Balances other than Cash and Cash Equivalents:**		
	Unclaimed dividend accounts	40	46
	Fixed deposits	21,260	6,875
	Total	**21,300**	**6,921**

NOTE: 14-LOANS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Loan to others - Considered good (Unsecured)	771	15
Total	**771**	**15**

NOTE: 15-OTHER CURRENT FINANCIAL ASSETS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
(Unsecured, Considered Good)		
Forward Contract value related to investment in a Joint Venture	-	2,803
GST Refund receivable	741	908
Budgetary Support Income receivable	747	415
Production Linked Incentive receivable (Refer Note-31)	3,070	2,070
Derivative Financial Asset	178	-
Interest Receivable	151	110
Others	243	267
Total	**5,130**	**6,573**

Notes to the Consolidated Financial Statements

NOTE: 16-OTHER CURRENT ASSETS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
(Unsecured, Considered Good)		
Balances with Statutory Authorities	3,476	4,530
Advances to Suppliers - Considered Good	1,507	1,558
Advances to Suppliers - Credit impaired	219	198
	1,726	**1,756**
Less: Allowances for credit impaired	219	198
	1,507	**1,558**
Export Incentive Receivables	119	48
Prepaid Expenses	1,144	1,021
Advance CSR contribution	435	81
Others	113	175
Total	**6,794**	**7,413**

NOTE: 17-EQUITY SHARE CAPITAL:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Authorised:		
1,725,000,000 (as at March 31, 2024: 1,725,000,000) Equity Shares of ₹ 1/- each	1,725	1,725
	1,725	**1,725**
Issued, Subscribed and Paid-up:		
1,006,233,990 (as at March 31, 2024: 1,006,233,990) Equity Shares of ₹ 1/- each, fully paid-up	1,006	1,006
Total	**1,006**	**1,006**

		As at March 31, 2025	As at March 31, 2024
A	**The reconciliation in number of Equity Shares is as under:**		
	Number of shares at the beginning of the year	1,006,233,990	1,012,204,139
	Less : Extinguished pursuant to buyback of shares ($)	-	(5,970,149)
	Number of shares at the end of the year	1,006,233,990	1,006,233,990
B	The Parent has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the parent company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
C	**Details of Shareholders holding more than 5% of aggregate Equity Shares of ₹ 1/- each, fully paid:**		
	a Zydus Family Trust		
	Number of Shares	754,313,343	754,313,343
	% to total share holding	74.96%	74.96%

Notes to the Consolidated Financial Statements

NOTE: 17-EQUITY SHARE CAPITAL: (Continued)

D Equity Shares held by the promoters/ promoter group of the Parent:

	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
	As at March 31, 2025			
1	Zydus Family Trust	754,313,343	74.964	-
2	Pankaj R. Patel	44,326	0.004	-
3	Pankaj Ramanbhai Patel HUF	29,550	0.003	-
4	Pripan Investment Private Limited	17,730	0.002	-
5	Taraben Patel Family Will Trust	14,775	0.001	-
6	Pritiben Pankajbhai Patel	14,775	0.001	-
7	Dr. Sharvil P. Patel	14,775	0.001	-
8	Shivani Pankajbhai Patel	14,775	0.001	-
9	Arati Rajiv Mehta	76,087	0.008	-
10	Ayushi Rajiv Mehta	17,727	0.002	-
11	Jasodaben Babubhai Patel	41,577	0.004	-
12	Ritaben Yatin Desai	24,874	0.002	-

	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
	As at March 31, 2024			
1	Zydus Family Trust	754,313,343	74.964	0.000010
2	Pankaj R. Patel	44,326	0.004	0.000004
3	Pankaj Ramanbhai Patel HUF	29,550	0.003	0.000002
4	Pripan Investment Private Limited	17,730	0.002	0.000001
5	Taraben Patel Family Will Trust	14,775	0.001	0.000001
6	Pritiben Pankajbhai Patel	14,775	0.001	0.000001
7	Dr. Sharvil P. Patel	14,775	0.001	0.000001
8	Shivani Pankajbhai Patel	14,775	0.001	0.000001
9	Arati Rajiv Mehta	76,087	0.008	0.000006
10	Ayushi Rajiv Mehta	17,727	0.002	0.000010
11	Jasodaben Babubhai Patel	41,577	0.004	0.000019
12	Ritaben Yatin Desai	24,874	0.002	0.000002

[$] The Board of Directors of the Parent, at its meeting held on February 9, 2024 approved a proposal to buyback 5,970,149 fully paid–up equity shares amounting to ₹ 6,000 Million [Buyback Size, excluding transaction costs and applicable taxes] at a price of ₹ 1,005 per share from the eligible equity shareholders. The buyback was offered to all eligible equity shareholders including the promoters and promoter group of the Parent on proportionate basis through the "Tender offer" route in accordance with Securities and Exchange Board of India [Buyback of Securities] Regulations, 2018, as amended and other applicable laws. The Buyback period was from February 9, 2024 to March 14, 2024. The Parent had bought back and extinguished 5,970,149 equity shares, comprising of 0.59% of pre-buyback paid up equity share capital of the Parent on March 15, 2024. The buyback resulted in a cash outflow of ₹ 7,250 Million [including applicable taxes and transaction costs]. The Parent had utilized its General Reserve and Retained Earnings for Buyback of shares. In accordance with Section 69 of the Companies Act, 2013, the Parent had credited "Capital Redemption Reserve" with an amount of ₹ 6 Million, being amount equivalent to the face value of the Equity Shares bought back as an appropriation from General Reserve.

Notes to the Consolidated Financial Statements

NOTE: 18-OTHER EQUITY:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Capital Reserve:		
Balance as per last Balance Sheet	279	278
Add: Adjustment pursuant to BTA [Refer Note-52]	-	1
	279	**279**
Capital Redemption Reserve:		
Balance as per last Balance Sheet	18	12
Add: Transfer from General Reserve pursuant to buyback of shares [Refer Note-17 $]	-	6
	18	**18**
Other Reserves:		
International Business Development Reserve: [*]		
Balance as per last Balance Sheet	2,000	2,000
General Reserve: [**]		
Balance as per last Balance Sheet	372	7,265
Less: Utilised for buyback of shares [Refer Note-17 $]	-	(5,684)
Less: Transferred to Capital Redemption Reserve pursuant to buyback of shares [Refer Note-17 $]	-	(6)
Less: Tax and other payments [transaction costs] on buyback of shares [Refer Note-17 $]	-	(1,203)
	372	**372**
Fair Value through Other Comprehensive Income [FVTOCI] Reserve: [#]		
Balance as per last Balance Sheet	191	438
Add:/ [Less]: Credited/ [Debited] during the year	287	(247)
	478	**191**
Foreign Currency Translation Reserve:		
Balance as per last Balance Sheet	(9,261)	(7,745)
[Less]: Exchange differences on consolidation	(977)	(1,516)
	(10,238)	**(9,261)**
Retained Earnings:		
Balance as per last Balance Sheet [^]	203,690	171,898
Add: Profit for the year	45,255	38,595
	248,945	**210,493**
Less: Items of other Comprehensive income recognised directly in Retained Earnings:		
Re-measurement [losses] on defined benefit plans [net of tax]	(292)	(235)
Share of Other Comprehensive Income of Joint Ventures [net of tax]	(18)	(3)
Less: Dividend	(3,019)	(6,208)
Less: Tax and other payments [transaction costs] on buyback of shares [Refer Note-17 $]	-	(357)
Balance as at the end of the year [^]	245,616	203,690
Total	**238,525**	**197,289**

[^] Includes ₹ 8,704 [as at March 31, 2024: ₹ 8,704] Million of Security Premium received by the group on issuance of equity shares by one of the subsidiaries to non-controlling interest holders.

[*] International Business Development Reserve was created pursuant to Composite Scheme of Arrangement approved by the Hon'ble High Court of Gujarat and its utilization shall be as provided in the scheme.

[**] General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.

[#] The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to the Consolidated Financial Statements

NOTE: 19-OTHER FINANCIAL LIABILITIES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Security Deposits	480	413
Financial liability related to contingent consideration (Refer Note-53 B)	8,242	10,080
Others	-	49
Total	**8,722**	**10,542**

NOTE: 20-PROVISIONS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits	3,839	3,097
Total	**3,839**	**3,097**

Defined benefit plan and long term employment benefit

A General description:

Leave wages (Long term employment benefit):

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance (Cash Accumulation) Scheme by Parent Company and major Indian subsidiaries. The eligible employees of the Group are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised (net of the fair value of plan assets as at the balance sheet date) at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

Gratuity (Defined benefit plan):

The Parent and major Indian subsidiaries have defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Consolidated Financial Statements

NOTE: 20-PROVISIONS: (Continued)

₹ in Million

		As at March 31					
		2025			2024		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
B	**Change in the present value of the defined benefit obligation:**						
	Opening obligation	393	3,213	4,153	353	2,806	3,542
	Acquired subsidiaries (Refer Note-53 A)	-	7	14	-	-	-
	Transfer in/ (out)	-	(1)	(5)	-	10	37
	Interest cost	26	200	282	23	182	244
	Current service cost	45	485	486	32	421	389
	Benefits paid	(17)	(441)	(378)	(15)	(385)	(331)
	Actuarial (gains)/ losses on obligation due to:						
	Experience adjustments	23	204	174	(3)	139	213
	Change in demographic assumptions	-	-	-	-	4	1
	Change in financial assumptions	20	99	176	3	36	58
	Closing obligation	**490**	**3,766**	**4,902**	**393**	**3,213**	**4,153**
C	**Change in the fair value of plan assets:**						
	Opening fair value of plan assets	-	269	3,617	-	253	3,016
	Transfer in/ (out)	-	-	(2)	-	-	(6)
	Expected return on plan assets	-	17	257	-	13	217
	Return on plan assets excluding amounts included in interest income	-	(1)	(15)	-	-	(24)
	Contributions by employer	-	-	783	-	3	742
	Benefits paid	-	(1)	(375)	-	-	(328)
	Actuarial (losses)/ gains	-	-	-	-	-	-
	Closing fair value of plan assets	**-**	**284**	**4,265**	**-**	**269**	**3,617**
	Total actuarial (losses)/ gains to be recognised	**(43)**	**(303)**	**(350)**	**-**	**(179)**	**(272)**
D	**Actual return on plan assets:**						
	Expected return on plan assets	-	17	257	-	13	217
	Actuarial (losses)/ gains on plan assets	-	-	-	-	-	-
	Actual return on plan assets	**-**	**17**	**257**	**-**	**13**	**217**
E	**Amount recognised in the balance sheet:**						
	Liabilities/ (Assets) at the end of the year	490	3,766	4,902	393	3,213	4,153
	Fair value of plan assets at the end of the year	-	(284)	(4,265)	-	(269)	(3,617)
	Difference	490	3,482	637	393	2,944	536
	Unrecognised past service cost	-	-	-	-	-	-
	Liabilities/ (Assets) recognised in the Balance Sheet	**490**	**3,482**	**637**	**393**	**2,944**	**536**

Notes to the Consolidated Financial Statements

NOTE: 20-PROVISIONS: (Continued)

₹ in Million

		As at March 31					
		2025			2024		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
F	**Expenses/ (Incomes) recognised in the Statement of Profit and Loss:**						
	Current service cost	45	485	486	32	421	389
	Interest cost on benefit obligation	26	200	282	23	182	244
	Expected return on plan assets	-	(17)	(257)	-	(13)	(217)
	Return on plan assets excluding amounts included in interest income	-	1	-	-	-	-
	Net actuarial (gains)/ losses in the year	43	303	-	-	179	-
	Amount included in "Employee Benefits Expense"	**114**	**972**	**511**	**55**	**769**	**416**
	Return on plan assets excluding amounts included in interest income	-	-	15	-	-	24
	Net actuarial (gains)/ losses in the year	-	-	350	-	-	272
	Amounts recognized in OCI	**-**	**-**	**365**	**-**	**-**	**296**
G	**Movement in net liabilities recognised in Balance Sheet:**						
	Opening net liabilities	393	2,944	536	353	2,553	526
	Acquired subsidiaries (Refer Note-53 A)	-	7	14	-	-	-
	Transfer in/ (out)	-	(1)	(3)	-	10	43
	Expenses as above (P & L Charge)	114	972	511	55	769	416
	Amount recognised in OCI	-	-	365	-	-	296
	Employer's contribution	-	-	(783)	-	(3)	(742)
	Benefits Paid	(17)	(440)	(3)	(15)	(385)	(3)
	Liabilities/ (Assets) recognised in the Balance Sheet	**490**	**3,482**	**637**	**393**	**2,944**	**536**
H	**Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:**						
	Discount rate	6.65%	6.65%-12.10%	6.65%-12.10%	7.20%	7.20% - 7.25%	7.20% - 7.25%
	(The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations)						
	Annual increase in salary cost	12% for next 2 year, 9% thereafter			12% for next 2 year, 9% thereafter		
	(The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market)						
	Withdrawal rates (p.a.)	40% at younger ages reducing to 1% at older ages			40% at younger ages reducing to 1% at older ages		
	(The estimates of level of attrition is based on broad economic outlook, type of sector the Company operates in and measures taken by the management to retain/ relieve the employees)						
I	**The categories of plan assets (India) as a % of total plan assets are:**						
	Insurance plan	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
	The weighted average duration of defined benefit plan obligation at the end of the year is 5.60 to 8.03 years (as at March 31, 2024 : 5.25 to 8.52 years).						

Notes to the Consolidated Financial Statements

NOTE: 20-PROVISIONS: (Continued)

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumptions is shown below:

₹ in Million

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31					
	2025	2024	2025	2024	2025	2024
Impact on obligation:						
Discount rate increase by 0.5%	(12)	(7)	(92)	(77)	(165)	(135)
Discount rate decrease by 0.5%	16	14	97	81	179	147
Annual salary cost increase by 0.5%	14	14	93	77	173	140
Annual salary cost decrease by 0.5%	(11)	(7)	(91)	(75)	(160)	(130)
Withdrawal rate increase by 10%	(20)	(14)	(62)	(49)	(59)	(34)
Withdrawal rate decrease by 10%	26	20	68	54	61	38

The following payments are expected contributions to the defined benefit plan and long term employment benefit in future years:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	1,620	1,420
Between 2 and 5 years	3,867	3,411
Between 6 and 10 years	3,243	2,841
Total expected payments	**8,730**	**7,672**

NOTE: 21-OTHER NON-CURRENT LIABILITIES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Deferred Government Subsidy	9	18
Total	**9**	**18**

NOTE: 22-BORROWINGS:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Loans repayable on Demand:		
Working Capital Loans from Banks (Secured) (*)	-	-
Working Capital Loans from Banks (Unsecured) (**)	10,200	7,686
Loan from others (Secured) (***)	21,495	-
Total	**31,695**	**7,686**

(*) i Working Capital Loans of the Parent, which are repayable on demand, are secured by hypothecation of inventories of all types, save and except stores and spares relating to plant and machineries (consumable stores and spares), including goods in transit, bills receivables and book debts of the Parent. The value of such current assets is ₹ 101,139 (as at March 31, 2024 ₹ 64,274) Million.

Notes to the Consolidated Financial Statements

NOTE: 22-BORROWINGS: (Continued)

[**] i Packing Credit loans in ₹ (PCRE) of the Parent are payable during August, 2025 to September, 2025. The outstanding amount of loans as at March 31, 2025 is ₹ 8,700 (as at March 31, 2024: ₹ 6,181) Million.

ii Working capital loans of some of the subsidiary companies are repayable on demand. The outstanding amount of loan as at March 31, 2025 is ₹ 1,500 (as at March 31, 2024: ₹ 1,505) Million.

[***] Loans from others of ₹ 21,495 (as at March 31, 2024: Nil) Million are secured by Government Securities.

The interest rates on the above loans are in the range of Treasury Bill plus 10 to 30 bps.

NOTE: 23-TRADE PAYABLES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Dues to Micro and Small Enterprises	974	670
Dues to other than Micro and Small Enterprises	22,084	20,597
Total	**23,058**	**21,267**

Ageing of Trade Payables :

₹ in Million

Particulars	Not due	Outstanding from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2025						
Undisputed Micro and Small Enterprises (MSME)	747	226	1	-	-	974
Undisputed Others	16,956	4,733	195	56	144	22,084
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	**17,703**	**4,959**	**196**	**56**	**144**	**23,058**
As at March 31, 2024						
Undisputed Micro and Small Enterprises (MSME)	665	4	1	-	-	670
Undisputed Others	15,071	5,259	93	86	83	20,592
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	5	5
Total	**15,736**	**5,263**	**94**	**86**	**88**	**21,267**

Notes to the Consolidated Financial Statements

NOTE: 24-OTHER FINANCIAL LIABILITIES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	5	4
Book overdraft	48	177
Accrued Expenses	17,475	12,698
Payable for Capital Goods	1,269	963
Unpaid Dividends	40	46
Derivative Financial Liability	191	-
Financial liability related to contingent consideration (Refer Note-53 A and B)	3,185	-
Others	-	3
Total	**22,213**	**13,891**

NOTE: 25-OTHER CURRENT LIABILITIES:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Advances from Customers	729	726
Payable to Statutory Authorities	1,542	1,658
Others	392	396
Total	**2,663**	**2,780**

NOTE: 26-PROVISIONS:

₹ in Million

			As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits			988	1,025
Provision for claims for product expiry and return of goods (*)			3,526	2,923
Total			**4,514**	**3,948**
(*)	Provision for claims for product expiry and return of goods:			
	a	Provision for product expiry claims and return of goods in respect of products sold during the year is made based on the management's estimates considering the estimated stock lying with retailers. The Group does not expect such claims to be reimbursed by any other party in future.		
	b	The movement in such provision is stated as under:		
		i Carrying amount at the beginning of the year	2,923	2,753
		ii Additional provision/ (reversal) made during the year	603	170
		iii Carrying amount at the end of the year	3,526	2,923

NOTE: 27-CURRENT TAX LIABILITIES (NET):

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Provision for Taxation (Net of advance payment of tax) (Refer Note-7)	6,157	3,720
Total	**6,157**	**3,720**

Notes to the Consolidated Financial Statements

NOTE: 28-CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

₹ in Million

				As at March 31, 2025	As at March 31, 2024
A	**Contingent Liabilities:**				
	a	Claims against the Group not acknowledged as debts		398	403
	b	Other money for which the Group is contingently liable:			
		i	In respect of the demands raised by the Goods and Service Tax, Central Excise, Customs, State Excise & Service Tax Authority	1,628	1,446
		ii	In respect of the demands raised by the Ministry of Chemicals & Fertilizers, Govt. of India under Drug Price Control Order, 1979/ 1995 for difference in actual price and price of respective bulk drug allowed while fixing the price of certain formulations and disputed by the Group, which the Group expects to succeed based on the legal advice	79	79
		iii	In respect of Income Tax matters pending before appellate authorities	3,227	4,094
		iv	In respect of Sales Tax matters pending before appellate authorities	1,068	999
		v	In respect of custom duty liability under EPCG scheme	111	15
		vi	In respect of letters of credit for Imports	196	-
		vii	In respect of other matters (Employees Indemnity on retirement/ guaranteed severance package)	611	496

B Legal proceedings:

1 In late 2016, a union health and welfare fund filed two actions against one of the subsidiary companies in US (i.e. the Company) and other generic drug companies in the U.S. District Court for the Eastern District of Pennsylvania. These actions alleged conspiracies to fix prices or allocate markets for two drugs (divalproex and pravastatin) in violation of federal and state antitrust laws.

Subsequently, these and the other actions detailed below have been coordinated in a multi-district litigation in the Eastern District of Pennsylvania. Ultimately, putative classes of direct purchasers, end payors, and indirect resellers each filed multiple actions in which the Company is named as one of several defendants: (i) an action alleging a conspiracy to fix prices or allocate markets for pravastatin, (ii) an action to fix prices or allocate markets for divalproex, and (iii) an action alleging both a conspiracy to fix prices or allocate markets for a third drug (acetazolamide) as well as an "overarching," industry-wide conspiracy. In June 2018, Connecticut and other states filed a complaint against the Company and other defendants alleging a number of individual-drug conspiracies (including acetazolamide for the Company) as well as an "overarching" conspiracy. Several opt-out plaintiffs have filed complaint as well, and the claims in these complaints track the claims outlined above. In May 2019, Connecticut and other states filed a second complaint against the Company and other defendants. That complaint alleges a number of individual-drug conspiracies (including eight drugs for the Company) as well as an "overarching" conspiracy. Beginning in October 2019, putative classes of direct purchases, indirect resellers, and end payors as well as several opt-out plaintiffs and a group of New York counties filed additional complaints against the Company and other defendants with substantially similar claims. In April 2024, the cases filed by Connecticut and other states were remanded to the District of Connecticut and now are proceeding on a separate track from the cases coordinated in the Eastern District of Pennsylvania. Fact discovery is ongoing in both sets of cases. In October 2019, the Court entered a case management order setting a preliminary schedule and the cases are currently proceeding through fact discovery. Although five bellwether cases (four in the Eastern District of Pennsylvania and one in the District of Connecticut) will be tried beginning in August 2025, the Company is not a defendant in any of these cases and no trial dates have been set for the Company. The Company believes it has meritorious defences to these lawsuits.

In late 2019 four cases were filed against the Company in an existing Multi District Litigation (MDL) in Ohio.

Notes to the Consolidated Financial Statements

NOTE: 28-CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR): (Continued)

In April 2023, 3 additional cases were filed in the Ohio MDL. In April 2023, 35 cases were filed in a New York Coordinated proceedings. The cases are similar, generally alleging that the Company manufactured, marketed and sold opioids and failed to effectively and adequately communicate warnings and risks of opioids use to both prescribers and users. The cases also generally allege the Company failed to report suspicious orders. The lawsuits are seeking relief under several theories, including a theory of public nuisance. Although we believe there are meritorious defenses to these lawsuits, the Company has entered into an agreement in principle related to settlement of the opioid litigation. The financial effect of the said settlement is already provided by the Company. Astellas Pharma Inc. ("the innovator") had filed a case against the Company in United States District Court for the District of Delaware ("the Court") in the matter pertaining to the validity and infringement of its US Patent ("the '780 patent") held by the innovator, for a sustained release formulation of "Mirabegron" marketed in the US by the innovator under the brand name Myrbetriq®.

The District Court issued an opinion dated April 15, 2025, finding that the Company did not meet their burden of proving the validity of the "780 patent" under certain theories. The court did not issue a final judgment on any issues as a result of the decision. Infringement of the "780 patent", any additional invalidity theories, and damages will be litigated at a consolidated jury trial in February 2026. The Company believes that it has meritorious defenses to this case.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

₹ in Million

		As at March 31, 2025	As at March 31, 2024
C	**Commitments:**		
	a Estimated amount of contracts remaining to be executed on capital account and not provided for	7,302	5,239

NOTE: 29- LEASES:

Lessee:

A Relating to statement of financial position:

1 Under Ind AS 116, the Group recognises right to use assets and lease liabilities for most leases; Right of use assets are part of financial statement captions "Property plant and equipment'. Depreciation and impairment is similar to measurement of owned assets Lease liabilities are part of financial statement captions "non-current financial liabilities" and "current financial liabilities". Interest is part of financial statement captions " Finance cost".

Right of use assets:	₹ in Million			
	Land	Buildings	Vehicles	Total
Balance as at March 31, 2023	**1,695**	**158**	**128**	**1,981**
Additions (Net)	6	138	59	203
Depreciation charge for the year	15	75	75	165
Assets classified as held for sale (Net) (Refer Note-51 B)	(94)	-	-	(94)
Exchange rate impact on translation of foreign operations	-	-	7	7
Balance as at March 31, 2024 (Net)	**1,592**	**221**	**119**	**1,932**
Additions (Net)	46	66	123	235
Depreciation charge for the year	20	78	69	167
Assets classified as held for sale (Net) (Refer Note-51 B)	94	-	-	94
Exchange rate impact on translation of foreign operations	-	(7)	(17)	(24)
Balance as at March 31, 2025 (Net)	**1,712**	**202**	**156**	**2,070**

The Group leases assets which include office buildings, warehouse spaces and vehicles.

Notes to the Consolidated Financial Statements

NOTE: 29- LEASES: (Continued)

2 Movement in lease liabilities:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Lease liability at the beginning of the year	356	317
Recognition of right-of-use liability during the year	-	3
Interest on Lease	39	25
Payment towards lease liabilities	42	14
Other adjustments	-	(3)
Lease liability at end of the year	437	356
of which:		
Current portion	116	105
Non current portion	321	251

2.1 Maturity analysis of lease liabilities:

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

₹ in Million

Minimum lease payments due	As at March 31, 2025	As at March 31, 2024
Within 1 year	116	105
1-5 years	316	241
Above 5 year	5	10

2.2

₹ in Million

		Year ended March 31, 2025	Year ended March 31, 2024
a	Expenses relating to short-term leases and low-value assets	306	261
b	Total Cash outflow for Leases	42	14

Lessor:

The Group leases out certain properties and classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

₹ in Million

Lease payments due to be received:	As at March 31, 2025	As at March 31, 2024
Within 1 year	31	38
1-5 years	63	55
Above 5 year	40	-
Total undiscounted lease payments	**134**	**93**

Description of lease activities:

Real estate lease:

The Group leases buildings for offices and warehouse space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically made for a fixed period of 3- 5 years and may include extension options which provide operational flexibility. Majority of the leases are cancellable by either parties by serving notice period.

NOTE: 30-PROPOSED DIVIDEND:

The Board of Directors of the Parent, at its meeting held on May 20, 2025, recommended the final dividend of ₹ 11/- per equity share of ₹ 1/- each. The recommended dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

Notes to the Consolidated Financial Statements

NOTE: 31-REVENUE FROM OPERATIONS:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Sale of Products	225,738	190,215
Other Operating Revenues:		
Production Linked Incentive income [*]	3,000	2,172
Export Incentives	847	796
Miscellaneous Income	2,830	2,291
	6,677	**5,259**
Total	**232,415**	**195,474**
[*] The Group is eligible for claiming benefits under the Production Linked Incentive (PLI) Scheme of the Government of India. Based on the estimated claims to be submitted by the Group, the Group has recognised the PLI income.		
Pursuant to Ind AS 115 "Revenue from Contracts with Customers" reconciliation of revenue recognised in the statement of profit and loss with the contracted price is under:		
Revenue as per contracted price	451,094	374,635
Less:		
Provision for Expiry and Sales Return	(4,793)	(2,233)
Discounts/ Chargeback/ Price Reduction/ Rebates	(219,600)	(181,586)
Others	(963)	(601)
	(225,356)	**(184,420)**
Revenue from contract with customers	**225,738**	**190,215**

NOTE: 32-OTHER INCOME:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	1,481	1,268
Interest Income on Debt Instruments	371	-
Net loss on Fair Valuation of Swap Contract	(191)	-
Gain/ (Loss) on valuation of Forward Contract value related to investment in a Joint Venture mandatorily measured at FVTPL	(60)	976
	1,601	**2,244**
Dividend Income:		
From Investments designated as at FVTOCI	10	13
Gain on Investments mandatorily measured at FVTPL	650	409
Net Gain on sale of Property, Plant and Equipment [Net of loss]	345	134
Other Non-operating Income	89	41
Total	**2,695**	**2,841**

Notes to the Consolidated Financial Statements

NOTE: 33-COST OF MATERIALS CONSUMED:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Raw Materials:		
Stock at commencement	10,212	11,794
Add: Acquired subsidiaries (Refer Note-53 B)	-	104
Add: Purchases	36,819	34,438
	47,031	**46,336**
Less: Stock at close	13,228	10,212
	33,803	**36,124**
Packing Materials consumed	9,926	9,681
Total	**43,729**	**45,805**

NOTE: 34-PURCHASES OF STOCK-IN-TRADE:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Purchases of Stock-in-Trade	21,500	18,979
Total	**21,500**	**18,979**

NOTE: 35-CHANGES IN INVENTORIES:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Stock at commencement:		
Work-in-progress	6,055	4,597
Finished Goods	6,742	6,783
Stock-in-Trade	9,761	8,676
	22,558	**20,056**
Less: Stock at close:		
Work-in-progress	6,619	6,055
Finished Goods	8,210	6,742
Stock-in-Trade	9,578	9,761
	24,407	**22,558**
Total	**(1,849)**	**(2,502)**

Notes to the Consolidated Financial Statements

NOTE: 36-EMPLOYEE BENEFITS EXPENSE:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	33,366	28,447
Contribution to provident and other funds	1,984	1,723
Defined benefit plan expenses (Refer Note-20)	511	416
Staff welfare expenses	945	790
Total	**36,806**	**31,376**
Above expenses include:		
Research related expenses:		
Salaries and wages	3,580	2,926
Contribution to provident and other funds	266	204
Staff welfare expenses	63	56
Total	**3,909**	**3,186**

NOTE: 37-FINANCE COST:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense (*)	935	440
Change in financial liability related to contingent consideration (Refer Note-53 B)	666	316
Net Gain on foreign currency transactions and translation	-	4
Bank commission & charges	58	52
Total	**1,659**	**812**
(*) The break up of interest expense into major heads is given below:		
On term loans	-	8
On short term loans	451	292
On lease liabilities	39	25
On others	445	115
Total	**935**	**440**

NOTE: 38-DEPRECIATION AND AMORTISATION EXPENSE:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation expenses	6,897	6,349
Amortisation expense	2,261	1,292
Total	**9,158**	**7,641**

Notes to the Consolidated Financial Statements

NOTE: 39-OTHER EXPENSES:

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Research Materials	1,894	1,558
Analytical Expenses	3,264	2,724
Consumption of Stores and spare parts	3,284	2,722
Power & fuel	3,754	3,848
Rent	306	261
Repairs to Buildings	306	294
Repairs to Plant and Machinery	1,184	977
Repairs to Others	514	384
Insurance	1,230	1,091
Rates and Taxes (excluding taxes on income)	422	427
Processing Charges	765	908
Commission to Directors	26	23
Traveling Expenses	2,185	1,702
Legal and Professional Fees	6,905	4,085
Advertisement Expenses	3,368	2,957
Commission on sales	1,956	1,789
Freight and forwarding on sales	5,689	3,974
Representative Allowances	1,550	1,421
Other marketing expenses	11,059	7,860
Allowances of credit losses:		
Trade receivables written off	6	3
Expected credit loss	309	243
	315	**246**
Less: Transferred from balance of expected credit loss	(16)	(40)
	299	**206**
Allowances for Doubtful Advances:		
Doubtful advances written off	144	-
Allowances for credit impaired	21	31
	165	**31**
Less: Transferred from balance of allowances for credit impaired	-	(3)
	165	**28**
Directors' fees	20	16
Donations	46	688
Miscellaneous Expenses	13,087	8,840
Total	**63,278**	**48,783**

Notes to the Consolidated Financial Statements

NOTE: 39-OTHER EXPENSES: (Continued)

₹ in Million

	Year ended March 31, 2025	Year ended March 31, 2024
Above expenses include Research related expenses as follows:		
Research Materials	1,893	1,558
Analytical expenses	2,763	2,509
Consumption of Stores and spare parts	395	495
Power & Fuel	172	185
Repairs to Buildings	18	26
Repairs to Plant and Machinery	123	146
Repairs to Others	13	12
Insurance	38	27
Traveling Expenses	121	129
Legal and Professional fees	1,600	1,499
Net Loss on disposal of Property, Plant and Equipment	1	5
Miscellaneous Expenses (excluding Depreciation)	7,478	3,302
Total	**14,615**	**9,893**
Research related Net Loss on foreign currency transactions and translation	29	17

NOTE: 40-TAX EXPENSES:

₹ in Million

		Year ended March 31, 2025	Year ended March 31, 2024
The major components of income tax expense are:			
A	**Statement of profit and loss:**		
	Profit or loss section- Continuing operations:		
	Current income tax:		
	Current income tax charge	19,801	14,984
	Adjustments in respect of current income tax of previous years	692	(58)
		20,493	**14,926**
	Deferred tax:		
	Relating to origination and reversal of temporary differences	(6,374)	(5,151)
	Discontinued operations:		
	Current income tax	-	62
	Deferred tax	-	-
		-	**62**
	Tax expense reported in profit or loss	**14,119**	**9,837**
	OCI Section:		
	Tax related to items recognised in OCI during in the year:		
	Net loss on remeasurements of defined benefit plans	73	61
	Tax Credit to OCI	**73**	**61**

Notes to the Consolidated Financial Statements

NOTE: 40-TAX EXPENSES: (Continued)

₹ in Million

		Year ended March 31, 2025	Year ended March 31, 2024
B	**Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:**		
	Profit before tax from continuing operations	60,267	48,089
	Profit before tax from discontinued operations	-	292
	Profit before tax	60,267	48,381
	Enacted Tax Rate in India (%) [Refer Note 7]	34.94%	25.17%
	Expected Tax Expenses	21,057	12,177
	Adjustments for:		
	Tax effect of income which do not form part of total income for Indian tax purposes	331	(93)
	Effect of unrecognized/ excess deferred tax assets / liabilities	1,708	(343)
	Effect of non-deductible expenses/ losses	1,593	117
	Effect of additional deductions in taxable income	(12,699)	(1,928)
	Effect of difference between Indian and Foreign tax rates [including impact of different tax rate in India]	1,222	1,053
	Effect of MAT Credit recognized	(164)	(591)
	Remeasurement of opening balances of Deferred Tax Assets and Liabilities due to tax rate change by the Parent [Refer Note 7]	464	(498)
	Effect of current income tax of previous years	692	(58)
	Others	(85)	1
	Total	**(6,938)**	**(2,340)**
	Tax Expenses as per Statement of profit and loss	**14,119**	**9,837**

NOTE: 41-CALCULATION OF EARNINGS PER EQUITY SHARE (EPS):

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

			Year ended March 31, 2025	Year ended March 31, 2024
Continuing Operations:				
A	Profit attributable to Shareholders	₹ in Million	45,255	38,365
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,006,233,990	1,011,926,837
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	44.97	37.91
Discontinued Operations:				
A	Profit attributable to Shareholders	₹ in Million	-	230
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,006,233,990	1,011,926,837
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	-	0.23
Continuing & Discontinued Operations:				
A	Profit attributable to Shareholders	₹ in Million	45,255	38,595
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,006,233,990	1,011,926,837
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	44.97	38.14

Notes to the Consolidated Financial Statements

NOTE: 42-SEGMENT INFORMATION:

A The Chief Operating Decision Maker (CODM) reviews the Group as "Pharmaceuticals" and "Consumer Products" segments.

The CODM reviews revenue, results, total assets and total liabilities as the performance indicator of an operating segment.

1 Pharmaceuticals:

This segment represents the business of integrated pharmaceutical operations with business encompassing the entire value chain in the research, development, production, marketing and distribution of pharmaceutical products. The product portfolio of the Group includes Active Pharmaceutical Ingredients (API), human formulations and animal health & veterinary.

2 Consumer products:

This segment represents the business of development, production, marketing and distribution of differentiated health and wellness products.

₹ in Million

			Year ended March 31, 2025	Year ended March 31, 2024
a	**Segment revenue:**			
	i	Pharmaceuticals	205,439	172,354
	ii	Consumer Products	26,976	23,120
	iii	**Total revenue from operations**	**232,415**	**195,474**
b	**Segment results:**			
	i	Pharmaceuticals	58,993	45,568
	ii	Consumer Products	3,470	2,663
	iii	**Total profit before exceptional items and tax**	**62,463**	**48,231**
c	**Segment assets:**			
	i	Pharmaceuticals	307,628	231,348
	ii	Consumer Products	64,389	61,460
	iii	**Total assets**	**372,017**	**292,808**
d	**Segment liabilities:**			
	i	Pharmaceuticals	101,090	65,745
	ii	Consumer Products	7,343	6,047
	iii	**Total liabilities**	**108,433**	**71,792**
B	**Geographical market:**			
	a	**Revenue (*):**		
		i India	92,530	80,154
		ii US	111,411	87,753
		iii Others	28,474	27,567
		iv Total	**232,415**	**195,474**
	b	**Non-current operating assets (**):**		
		i India	147,469	139,138
		ii US	6,813	3,921
		iii Others	3,974	4,859
		iv Total	**158,256**	**147,918**
C	Revenues derived from single external customer which amount to 10% or more of the Group's revenue		-	21,939

(*) The revenue information above is based on the locations of the customers.

(**) Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, goodwill, intangible assets and intangible assets under development.

Notes to the Consolidated Financial Statements

NOTE: 43-GROUP INFORMATION:

Consolidated Financial Statements as at March 31, 2025 comprise the Financial Statements (FS) of Zydus Lifesciences Limited (ZLL) and its subsidiaries as well as its interest in Joint Ventures, which are as under:

No.	Name	Principal activities	Country of incorporation	Status of FS at March 31, 2025	% equity Interest as at March 31	
					2025	2024
A	**Indian subsidiaries:**					
1	Zydus Healthcare Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
2	German Remedies Pharmaceuticals Private Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
3	Zydus Wellness Limited	Consumer Health & Wellness	India	Audited	57.59	57.59
4	Zydus Wellness Products Limited	Consumer Health & Wellness	India	Audited	57.59	57.59
5	Liva Investment Limited ^	Investment	India	Audited	57.59	57.59
6	Liva Nutritions Limited	Consumer Health & Wellness	India	Audited	57.59	57.59
7	Zydus Animal Health and Investments Limited	Animal Health and Veterinary	India	Audited	100.00	100.00
8	Dialforhealth Greencross Limited	Retail Pharmacy	India	Audited	100.00	100.00
9	Dialforhealth Unity Limited	Retail Pharmacy	India	Audited	55.00	55.00
10	Violio Healthcare Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
11	Zydus Pharmaceuticals Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
12	Biochem Pharmaceutical Private Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
13	Zydus Strategic Investments Limited	Investment	India	Audited	100.00	100.00
14	Zydus VTEC Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
15	LM Manufacturing India Private Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
16	Zydus Medtech Private Limited	Medical devices	India	Audited	100.00	Note-1
17	Naturell (India) Private Limited	Consumer Health and Wellness	India	Audited	57.59	Note-2
B	**Foreign subsidiaries:**					
1	Zydus Lanka (Private) Limited	Human Pharmaceutical Formulations	Sri Lanka	Unaudited	100.00	100.00
2	Zydus International Private Limited	Investment and Holding	Ireland	Unaudited	100.00	100.00
3	Zydus Netherlands B.V.	Investment and Holding	Netherlands	Unaudited	100.00	100.00
4	Zydus France, SAS	Human Pharmaceutical Formulations	France	Unaudited	100.00	100.00
5	Laboratorios Combix S.L.	Human Pharmaceutical Formulations	Spain	Unaudited	100.00	100.00

Notes to the Consolidated Financial Statements

NOTE: 43-GROUP INFORMATION: (Continued)

No.	Name	Principal activities	Country of incorpo-ration	Status of FS at March 31, 2025	% equity Interest as at March 31	
					2025	2024
6	Etna Biotech S.R.L.	Research and Development	Italy	Unaudited	100.00	100.00
7	Zydus Healthcare (USA) LLC	Human Pharmaceutical Formulations	U. S. A.	Unaudited	100.00	100.00
8	Zydus Pharmaceuticals (USA) Inc.	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
9	Nesher Pharmaceuticals (USA) LLC	Human Pharmaceutical Formulations	U. S. A.	N. A.	^^	100.00
10	ZyVet Animal Health Inc.	Animal Health and Veterinary	U. S. A.	Audited	100.00	100.00
11	Sentynl Therapeutics, Inc.	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
12	Zydus Noveltech Inc.	Human Pharmaceutical Formulations	U. S. A.	N. A.	*	*
13	Hercon Pharmaceuticals, LLC	Human Pharmaceutical Formulations	U. S. A.	N. A.	**	**
14	Viona Pharmaceuticals Inc.	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
15	Zydus Therapeutics Inc.	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
16	Zynext Ventures USA LLC	Investment and Holding	U. S. A.	Unaudited	100.00	100.00
17	Naturell Inc.	Consumer Health & Wellness	U. S. A.	Unaudited	57.59	Note-2
18	Zydus Pharmaceuticals UK Limited	Investment and Holding	U.K	Unaudited	100.00	100.00
19	LM Manufacturing Limited	Human Pharmaceutical Formulations	U.K.	Unaudited	100.00	100.00
20	Medsolutions (Europe) Limited	Human Pharmaceutical Formulations	U.K.	Unaudited	100.00	100.00
21	LiqMeds Worldwide Limited	Human Pharmaceutical Formulations	U.K.	Unaudited	100.00	100.00
22	LiqMeds Limited	Human Pharmaceutical Formulations	U.K.	Unaudited	100.00	100.00
23	LiqMeds Lifecare Limited	Human Pharmaceutical Formulations	U.K.	Unaudited	100.00	100.00
24	Zynext Ventures PTE. LTD.	Investment and Holding	Singapore	Unaudited	100.00	100.00
25	Zydus Pharmaceuticals (Canada) Inc.	Human Pharmaceutical Formulations	Canada	Unaudited	100.00	100.00
26	Zydus Worldwide DMCC	Human Pharmaceutical Formulations	U. A. E.	Audited	100.00	100.00
27	Zydus Lifesciences Global FZE	Human Pharmaceutical Formulations	U. A. E.	Audited	100.00	100.00
28	Zydus Wellness International DMCC	Consumer Health & Wellness	U. A. E.	Unaudited	57.59	57.59
29	Zydus Wellness (BD) Private Limited	Consumer Health & Wellness	Bangladesh	Unaudited	57.59	57.59

Notes to the Consolidated Financial Statements

NOTE: 43-GROUP INFORMATION: (Continued)

No.	Name	Principal activities	Country of incorpo-ration	Status of FS at March 31, 2025	% equity Interest as at March 31	
					2025	2024
30	Zydus Nikkho Farmaceutica Ltda.	Human Pharmaceutical Formulations	Brazil	Audited	100.00	100.00
31	Zydus Healthcare SA (Pty) Ltd.	Human Pharmaceutical Formulations	South Africa	Audited	100.00	100.00
32	Alidac Pharmaceuticals SA Pty. Ltd.	Human Pharmaceutical Formulations	South Africa	Unaudited	100.00	100.00
33	Script Management Services (Pty) Ltd.	Human Pharmaceutical Formulations	South Africa	Unaudited	100.00	100.00
34	Zydus Healthcare Philippines Inc.	Human Pharmaceutical Formulations	Philippines	Unaudited	100.00	100.00
35	Alidac Healthcare (Myanmar) Limited	Human Pharmaceutical Formulations	Myanmar	Unaudited	100.00	100.00
36	Zydus Pharmaceuticals Mexico SA De C.V.	Human Pharmaceutical Formulations	Mexico	Audited	100.00	100.00
37	Zydus Pharmaceuticals Mexico Service Company SA De C.V.	Manpower Supply & Administration	Mexico	Unaudited	100.00	100.00
C	**Partnership firm:**					
1	M/s. Recon Pharmaceuticals and Investments	Human Pharmaceutical Formulations and Investments	India	Audited	100.00	100.00
D	**Joint Ventures:**					
1	Zydus Takeda Healthcare Private Limited	Active Pharmaceuticals Ingredients	India	Audited	50.00	50.00
2	Zydus Hospira Oncology Private Limited	Human Pharmaceutical Formulations	India	Unaudited	50.00	50.00
3	Sterling Biotech Limited	Gelatine and Active Pharmaceuticals Ingredients	India	Unaudited	50.00	Note-3
4	Bayer Zydus Pharma Private Limited	Human Pharmaceutical Formulations	India	Unaudited	***	24.999998
5	Oncosol Limited	Human Pharmaceutical Formulations	U.K	Unaudited	50.00	50.00

Notes:

1 The Group has acquired Zydus Medtech Private Limited on May 31, 2024.

2 The Group has acquired Naturell (India) Private Limited and Naturell Inc. on December 2, 2024.

3 The Group has acquired Sterling Biotech Limited on August 29, 2024.

^ Liva Investment Limited is under liquidation.

^^ Nesher Pharmaceuticals (USA) LLC merged with Zydus Pharmaceuticals (USA) Inc. w.e.f. October 25, 2024.

* Zydus Noveltech Inc. is dissolved w.e.f. December 15, 2023.

** Hercon Pharmaceuticals, LLC is dissolved w.e.f. May 24, 2023.

*** Refer note- 51 C

Notes to the Consolidated Financial Statements

NOTE: 44-STATUTORY GROUP INFORMATION:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	As at and for the year ended March 31, 2025							
	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consolidated Net Assets	₹ in Million	As % of Consolidated Profit / (Loss)	₹ in Million	As % of Consolidated other Comprehensive income	₹ in Million	As % of total Comprehensive income	₹ in Million
Parent:								
Zydus Lifesciences Limited	88.46	211,901	127.61	57,749	(6.41)	64	130.63	57,813
Subsidiaries:								
Indian:								
Zydus Healthcare Limited	25.83	61,876	23.47	10,621	6.27	(63)	23.86	10,558
German Remedies Pharmaceuticals Private Limited	1.39	3,334	1.33	602	0.50	(5)	1.35	597
Zydus Wellness Limited	16.84	40,346	0.68	306	0.07	(1)	0.69	305
Zydus Wellness Products Limited	10.46	25,066	(0.62)	(281)	0.09	(1)	(0.64)	(282)
Liva Investment Limited	-	-	-	-	-	-	-	-
Liva Nutritions Limited	0.01	24	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Animal Health and Investments Limited	9.95	23,843	2.88	1,304	0.18	(2)	2.94	1,302
Dialforhealth Unity Limited	(0.00)	(3)	(0.00)	(0)	-	-	(0.00)	(0)
Dialforhealth Greencross Limited	0.00	0	0.00	0	-	-	0.00	0
Violio Healthcare Limited	0.00	0	0.00	0	-	-	0.00	0
Zydus Pharmaceuticals Limited	3.03	7,260	(0.25)	(115)	0.26	(3)	(0.27)	(117)
Biochem Pharmaceutical Private Limited	0.00	0	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Strategic Investments Limited	0.00	12	0.00	1	-	-	0.00	1
Zydus VTEC Limited	0.94	2,260	(0.70)	(318)	-	-	(0.72)	(318)
LM Manufacturing India Private Limited	0.01	16	(0.00)	(1)	(0.01)	0	(0.00)	(1)
Recon Pharmaceuticals and Investments	0.00	7	0.00	1	-	-	0.00	1
Zydus Medtech Private Limited	0.50	1,206	(0.42)	(189)	-	-	(0.43)	(189)
Naturell (India) Private Limited	0.06	147	0.12	56	0.22	(2)	0.12	54
Foreign:								
Zydus Lanka (Private) Limited	0.01	17	(0.02)	(8)	-	-	(0.02)	(8)
Zydus International Private Limited	2.89	6,929	0.68	309	-	-	0.70	309
Zydus Netherlands B.V.	2.78	6,649	(3.06)	(1,385)	-	-	(3.13)	(1,385)
Zydus France, SAS	(0.11)	(261)	(0.32)	(146)	-	-	(0.33)	(146)
Laboratorios Combix S.L.	0.33	800	1.06	479	-	-	1.08	479
Etna Biotech S.R.L.	(0.03)	(81)	0.14	64	-	-	0.14	64

Notes to the Consolidated Financial Statements

NOTE: 44-STATUTORY GROUP INFORMATION: (Continued)

	As at and for the year ended March 31, 2025							
	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consolidated Net Assets	₹ in Million	As % of Consolidated Profit / (Loss)	₹ in Million	As % of Consolidated other Comprehensive income	₹ in Million	As % of total Comprehensive income	₹ in Million
Zydus Healthcare (USA) LLC	0.02	49	0.01	3	-	-	0.01	3
Zydus Pharmaceuticals (USA) Inc.	5.03	12,044	3.33	1,507	-	-	3.41	1,507
Nesher Pharmaceuticals (USA) LLC	-	-	-	-	-	-	-	-
ZyVet Animal Health Inc.	(0.07)	(179)	0.12	56	-	-	0.13	56
Sentynl Therapeutics, Inc.	(3.06)	(7,326)	(4.13)	(1,867)	-	-	(4.22)	(1,867)
Viona Pharmaceuticals INC	0.18	433	0.13	59	-	-	0.13	59
Zydus Therapeutics Inc.	(2.85)	(6,825)	(6.72)	(3,043)	-	-	(6.88)	(3,043)
Zynext Ventures USA LLC, USA	0.32	767	(0.02)	(8)	-	-	(0.02)	(8)
Zydus Pharmaceuticals UK Limited	3.17	7,591	0.29	132	-	-	0.30	132
LM Manufacturing Limited	(0.83)	(1,977)	(1.22)	(551)	-	-	(1.25)	(551)
Medsolutions (Europe) Limited	0.00	10	0.00	2	-	-	0.00	2
LiqMeds Worldwide Limited	0.74	1,779	3.35	1,516	-	-	3.43	1,516
LiqMeds Limited	(0.12)	(297)	0.40	180	-	-	0.41	180
LiqMeds Lifecare Limited	0.06	146	0.29	132	-	-	0.30	132
Zynext Ventures PTE. LTD.	0.33	791	(0.01)	(4)	-	-	(0.01)	(4)
Zydus Pharmaceuticals (Canada) Inc.	0.00	2	(0.17)	(76)	-	-	(0.17)	(76)
Zydus Wellness BD Private Limited	-	-	(0.03)	(16)	0.00	(0)	(0.04)	(16)
Zydus Worldwide DMCC	7.92	18,970	(7.15)	(3,235)	0.00	(0)	(7.31)	(3,235)
Zydus Lifesciences Global FZE	3.59	8,597	(3.49)	(1,579)	0.08	(1)	(3.57)	(1,580)
Zydus Wellness International DMCC	(0.12)	(279)	(0.41)	(185)	0.08	(1)	(0.42)	(186)
Zydus Nikkho Farmaceutica Ltda.	0.16	375	(2.65)	(1,201)	-	-	(2.71)	(1,201)
Zydus Healthcare SA (Pty) Ltd.	0.30	727	0.14	64	-	-	0.14	64
Alidac Pharmaceuticals SA Pty. Ltd.	(0.20)	(472)	(0.00)	(0)	-	-	(0.00)	(0)
Script Management Services (Pty) Ltd.	0.00	3	0.00	0	-	-	0.00	0
Zydus Healthcare Philippines Inc.	0.26	613	0.14	62	0.02	(0)	0.14	61
Alidac Healthcare (Myanmar) Limited	0.25	596	0.31	140	-	-	0.32	140
Zydus Pharmaceuticals Mexico SA De C.V.	(0.09)	(214)	(0.39)	(175)	(0.81)	8	(0.38)	(167)
Zydus Pharmaceuticals Mexico Service Company SA De C.V.	(0.00)	(3)	0.00	0	-	-	0.00	0
Naturell Inc. [USA]	-	-	-	-	-	-	-	-
Minority Interests in all subsidiaries	(10.04)	(24,053)	(3.25)	(1,471)	-	-	(3.32)	(1,471)
Share of Joint Ventures [as per equity method]	-	-	2.62	1,184	1.80	(18)	2.63	1,166
Total Eliminations/ Consolidation Adjustments	(68.33)	(163,683)	(34.07)	(15,419)	97.66	(975)	(37.04)	(16,394)
Grand Total	**100.00**	**239,531**	**100.00**	**45,255**	**100.00**	**(998)**	**100.00**	**44,257**

Notes to the Consolidated Financial Statements

NOTE: 44-STATUTORY GROUP INFORMATION: (Continued)

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	As at and for the year ended March 31, 2024							
	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consolidated Net Assets	₹ in Million	As % of Consolidated Profit / (Loss)	₹ in Million	As % of Consolidated other Comprehensive income	₹ in Million	As % of total Comprehensive income	₹ in Million
Parent:								
Zydus Lifesciences Limited	79.26	157,165	89.17	34,415	16.09	(322)	93.17	34,093
Subsidiaries:								
Indian:								
Zydus Healthcare Limited	27.30	54,140	22.07	8,518	7.79	(156)	22.85	8,362
German Remedies Pharmaceuticals Private Limited	1.38	2,736	1.30	501	(0.15)	3	1.38	504
Zydus Wellness Limited	20.35	40,359	0.87	337	0.17	(3)	0.91	334
Zydus Wellness Products Limited	12.78	25,348	(2.31)	(890)	(0.12)	2	(2.43)	(888)
Liva Investment Limited	0.00	2	0.00	0	-	-	0.00	0
Liva Nutritions Limited	0.01	24	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Animal Health and Investments Limited	13.18	26,141	3.74	1,444	0.06	(1)	3.94	1,443
Dialforhealth Unity Limited	(0.00)	(3)	(0.00)	(0)	-	-	(0.00)	(0)
Dialforhealth Greencross Limited	0.00	0	0.00	0	-	-	0.00	0
Violio Healthcare Limited	0.00	0	-	-	-	-	-	-
Zydus Pharmaceuticals Limited	3.22	6,377	(0.55)	(212)	0.06	(1)	(0.58)	(214)
Biochem Pharmaceutical Private Limited	0.00	0	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Strategic Investments Limited	0.01	11	0.00	0	-	-	0.00	0
Zydus VTEC Limited	1.30	2,578	(1.12)	(430)	-	-	(1.18)	(430)
LM Manufacturing India Private Limited	0.01	17	0.03	11	-	-	0.03	11
Recon Pharmaceuticals and Investments	0.46	907	0.00	1	-	-	0.00	1
Foreign:								
Zydus Lanka (Private) Limited	0.01	25	0.03	13	-	-	0.03	13
Zydus International Private Limited	3.24	6,425	0.83	322	-	-	0.88	322
Zydus Netherlands B.V.	3.95	7,833	(0.16)	(62)	-	-	(0.17)	(62)
Zydus France, SAS	(0.04)	(83)	(0.38)	(146)	-	-	(0.40)	(146)
Laboratorios Combix S.L.	0.16	317	0.19	72	-	-	0.20	72
Etna Biotech S.R.L.	(0.07)	(142)	(0.11)	(41)	-	-	(0.11)	(41)
Zydus Healthcare (USA) LLC	0.02	44	0.00	1	-	-	0.00	1
Zydus Pharmaceuticals (USA) Inc.	10.20	20,235	4.83	1,865	-	-	5.10	1,865

Notes to the Consolidated Financial Statements

NOTE: 44-STATUTORY GROUP INFORMATION: (Continued)

	As at and for the year ended March 31, 2024							
	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consolidated Net Assets	₹ in Million	As % of Consolidated Profit / (Loss)	₹ in Million	As % of Consolidated other Comprehensive income	₹ in Million	As % of total Comprehensive income	₹ in Million
Nesher Pharmaceuticals (USA) LLC	(0.00)	(2)	0.76	293	-	-	0.80	293
ZyVet Animal Health Inc.	(0.11)	(218)	0.02	9	-	-	0.03	9
Sentynl Therapeutics, Inc.	(2.67)	(5,296)	(4.89)	(1,886)	-	-	(5.15)	(1,886)
Zydus Noveltech Inc.	-	-	0.01	5	-	-	0.01	5
Hercon Pharmaceuticals, LLC	-	-	(0.00)	(0)	-	-	(0.00)	(0)
Viona Pharmaceuticals INC	0.00	8	0.06	25	-	-	0.07	25
Zydus Therapeutics Inc.	(1.84)	(3,658)	(6.74)	(2,602)	-	-	(7.11)	(2,602)
Zynext Ventures USA LLC, USA	0.00	5	(0.04)	(14)	-	-	(0.04)	(14)
Zydus Pharmaceuticals UK Limited	3.58	7,094	(0.69)	(265)	-	-	(0.73)	(265)
LM Manufacturing Limited	(0.67)	(1,334)	(0.18)	(68)	-	-	(0.19)	(68)
Medsolutions (Europe) Limited	0.00	8	0.06	22	-	-	0.06	22
LiqMeds Worldwide Limited	0.11	212	0.36	141	-	-	0.38	141
LiqMeds Limited	(0.23)	(458)	0.17	68	-	-	0.18	68
LiqMeds Lifecare Limited	0.00	10	(0.08)	(31)	-	-	(0.08)	(31)
Zynext Ventures PTE. LTD.	0.01	20	(0.00)	(1)	-	-	(0.00)	(1)
Zydus Pharmaceuticals (Canada) Inc.	(0.00)	(5)	(0.01)	(5)	-	-	(0.01)	(5)
Zydus Wellness BD Private Limited	0.01	17	(0.02)	(8)	(0.01)	0	(0.02)	(8)
Zydus Worldwide DMCC	10.94	21,703	76.01	29,336	0.02	(0)	80.16	29,335
Zydus Lifesciences Global FZE	5.02	9,947	(0.21)	(80)	-	-	(0.22)	(80)
Zydus Wellness International DMCC	(0.04)	(89)	(0.18)	(69)	0.01	(0)	(0.19)	(69)
Zydus Nikkho Farmaceutica Ltda.	0.84	1,657	(1.64)	(632)	-	-	(1.73)	(632)
Zydus Healthcare SA (Pty) Ltd.	0.32	641	(0.02)	(6)	-	-	(0.02)	(6)
Alidac Pharmaceuticals SA Pty. Ltd.	(0.23)	(447)	(0.00)	(0)	-	-	(0.00)	(0)
Script Management Services (Pty) Ltd.	0.00	3	0.00	0	-	-	0.00	0
Zydus Healthcare Philippines Inc.	0.28	554	0.12	46	0.13	(3)	0.12	43
Alidac Healthcare (Myanmar) Limited	0.27	536	(0.80)	(308)	-	-	(0.84)	(308)
Zydus Pharmaceuticals Mexico SA De C.V.	(0.07)	(145)	0.33	127	0.06	(1)	0.34	126
Zydus Pharmaceuticals Mexico Service Company SA De C.V.	(0.00)	(4)	0.00	0	-	-	0.00	0
Minority Interests in all subsidiaries	(11.46)	(22,721)	(2.94)	(1,133)	-	-	(3.10)	(1,133)
Share of Joint Ventures (as per equity method)	-	-	3.07	1,184	0.15	(3)	3.23	1,181
Total Eliminations/ Consolidation Adjustments	(80.79)	(160,199)	(81.03)	(31,273)	75.74	(1,516)	(89.60)	(32,788)
Grand Total	**100.00**	**198,295**	**100.00**	**38,595**	**100.00**	**(2,001)**	**100.00**	**36,594**

Notes to the Consolidated Financial Statements

NOTE: 45-RELATED PARTY TRANSACTIONS:

A	**Name of the Related Parties and Nature of the Related Party Relationship:**		
	a	**Entity having control over the Parent:** Zydus Family Trust [Holding 74.96 % in the Parent]	
	b	**Subsidiary Company:**	
		Zydus Foundation [Refer Note-5]	
	c	**Joint Venture Companies:**	
		Zydus Hospira Oncology Private Limited	Bayer Zydus Pharma Private Limited [Upto May 2, 2024]
		Zydus Takeda Healthcare Private Limited	Oncosol Limited [w.e.f. November 6, 2023]
		Sterling Biotech Limited [w.e.f. August 29, 2024]	
	d	**Key Managerial Personnel:**	
		Mr. Pankaj R. Patel	Non-Executive Chairman
		Dr. Sharvil P. Patel	Managing Director & son of Chairman
		Mr. Ganesh N. Nayak	Executive Director
		Mr. Mukesh M. Patel	Non-Executive Director
		Mr. Apurva S. Diwanji	Independent Director
		Mr. Nitin R. Desai	Independent Director [upto August 9, 2024]
		Ms. Dharmishtaben N. Raval	Independent Director [upto August 9, 2024]
		Mr. Bhadresh K. Shah	Independent Director
		Mr. Akhil Monappa	Independent Director
		Ms. Upasana Konidela	Independent Director
		Ms. Shelina Parikh	Independent Director[w.e.f. May 17, 2024]
		Mr. Nitin D. Parekh	Executive Officer [Chief Financial Officer]
		Mr. Dhaval N. Soni	Executive Officer [Company Secretary]
	e	**Enterprises significantly influenced by Directors and/or their relatives with whom transactions have taken place:**	
		Cadmach Machinery Company Private Limited	Cadila Laboratories Private Limited
		Zydus Hospitals and Healthcare Research Private Limited	Mukesh M. Patel & Co.
		Aleta Hospitals LLP	M/s. International Tax and Investments Consultants
		Zydus Infrastructure Private Limited	Oneiro Chemicals Private Limited
		Sahyadri Hospitals Private Limited	TUV India Private Limited
		Vitely Bio LLP	Apollo Healthco Limited
		Ramanbhai Foundation	
	f	**Post Employment Benefits Plans with whom transactions have taken place:**	
		Cadila Healthcare Limited Employees Group Gratuity Scheme	Zydus Wellness Sikkim Employees Group Gratuity Scheme
		Cadila Healthcare Ltd. Managerial Cadre EPF	Heinz India Private Limited Provident Fund
		Zydus Healthcare Limited Employees Group Gratuity Scheme	Heinz India Private Limited Employee Provident Fund
		Zydus Wellness Limited Employees Group Gratuity Scheme	Heinz India Private Limited Pension Fund

Notes to the Consolidated Financial Statements

NOTE: 45-RELATED PARTY TRANSACTIONS: (Continued)

a Details relating to parties referred to in Note-45-A (a & b)

Nature of Transactions	Value of Transactions (₹ in Million)			
	Entity having control over the Parent		Subsidiary Company	
	Year ended March 31			
	2025	2024	2025	2024
Dividend Paid:				
Zydus Family Trust	2,301	4,583	-	-
CSR Expenses:				
Zydus Foundation	-	-	532	52
Advance CSR contribution:				
Zydus Foundation	-	-	354	-
Interest Income:				
Zydus Foundation	-	-	1	1
Redemption of Investment:				
Zydus Foundation	-	-	900	550

b Details relating to parties referred to in Note-45-A (c & e)

Nature of Transactions	Value of Transactions (₹ in Million)			
	Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31			
	2025	2024	2025	2024
Purchases:				
Goods:				
Oneiro Chemicals Private Limited	-	-	718	526
Others	61	98	15	11
Total	**61**	**98**	**733**	**537**
Property, Plant and Equipment:				
Cadmach Machinery Company Private Limited	-	-	14	13
Reimbursement of Expenses Paid:				
Zydus Hospira Oncology Private Limited	56	42	-	-
Services:				
Zydus Infrastructure Private Limited	-	-	141	145
Others	-	-	48	37
Total	**-**	**-**	**189**	**182**

Notes to the Consolidated Financial Statements

NOTE: 45-RELATED PARTY TRANSACTIONS: (Continued)

Nature of Transactions	Value of Transactions (₹ in Million)			
	Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31			
	2025	2024	2025	2024
Sales:				
Goods:				
Bayer Zydus Pharma Private Limited	17	63	-	
Zydus Takeda Healthcare Private Limited	37	91	-	
Zydus Hospitals and Healthcare Research Private Limited	-	-	66	44
Others	1	-	2	2
Total	**55**	**154**	**68**	**46**
Reimbursement of Expenses Recovered:				
Zydus Hospira Oncology Private Limited	11	9	-	-
Others	-	1	-	-
Total	**11**	**10**	**-**	**-**
Services:				
Oncosol Limited	140	-	-	
Others	-	-	3	2
Total	**140**	**-**	**3**	**2**
Investments made:				
Sterling Biotech Limited	6,708	-	-	-
Investments redemption:				
Bayer Zydus Pharma Private Limited	60	-	-	-
Finance:				
Interest Income:				
Bayer Zydus Pharma Private Limited	1	3	-	-
	As at March 31			
Outstanding:	**2025**	**2024**	**2025**	**2024**
Payable:				
Oneiro Chemicals Private Limited	-	-	113	82
Others	9	49	18	20
Total	**9**	**49**	**131**	**102**
Receivable:				
Zydus Hospitals and Healthcare Research Private Limited	-	-	15	11
Oncosol Limited	126	-	-	
Others	-	5	1	-
Total	**126**	**5**	**16**	**11**

Notes to the Consolidated Financial Statements

NOTE: 45-RELATED PARTY TRANSACTIONS: (Continued)

₹ in Million

		Year ended March 31, 2025	Year ended March 31, 2024
c	**Details relating to persons referred to in Note-45-A (d) above:**		
	(i) Salaries and other employee benefits to Managing Director, Executive Director and other executive officers	602	528
	(ii) Commission and Sitting Fees	38	34
	(iii) Outstanding payable to above (i) and (ii)	301	175
d	**Details relating to persons referred to in Note-45-A (f) above:**		
	(i) Contributions (including Employee's share and contribution)	1,391	1,269
e	**Details relating to buyback of shares from Promoter/ Promoter Group (Refer Note-17-D for name of promoters):**		
	(i) Zydus Family Trust	-	3,871
	(ii) Others	-	1
	(iii) Total	**-**	**3,872**

NOTE: 46-EXCEPTIONAL ITEMS:

₹ in Million

		Year ended March 31, 2025	Year ended March 31, 2024
1	Impairment of Goodwill related to Brazil business pursuant to assessment of recoverability due to changes in external and internal economic indicators	1,350	-
2	Impairment of a product related intangible held by Zydus Worldwide DMCC, a wholly owned subsidiary, on account of decreased market potential	846	-
3	Expenses incurred in connection with cessation of the operations of one of the manufacturing facilities of Zydus Wellness Products Limited (ZWPL), a subsidiary of the Group	-	177
4	Gain on sale of assets by ZWPL which were classified as "Assets held for sale" from Property, Plant and Equipment (as per Ind AS 105)	-	(35)
5	**Total**	**2,196**	**142**

NOTE: 47-MATERIAL PARTLY-OWNED SUBSIDIARIES:

₹ in Million

	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	Year ended March 31		As at March 31	
	2025	2024	2025	2024
Zydus Wellness Limited *	1,471	1,133	24,053	22,721
Individually immaterial subsidiaries with non-controlling interests	-	-	-	-
Total	**1,471**	**1,133**	**24,053**	**22,721**

Notes to the Consolidated Financial Statements

NOTE: 47-MATERIAL PARTLY-OWNED SUBSIDIARIES: (Continued)

Financial information of a subsidiary that have material non-controlling interests (NCI) is provided below:

₹ in Million

Name of Subsidiary	Zydus Wellness Limited *	
Place of Incorporation and operations	**India**	
	As at March 31, 2025	**As at March 31, 2024**
% of Ownership	57.59%	57.59%
Summarised balance sheet:		
Current assets	11,042	12,500
Current liabilities	7,455	7,694
Net current assets	**3,587**	**4,806**
Non-current assets	53,377	48,984
Non-current liabilities	248	215
Net non-current assets	**53,129**	**48,769**
Net assets	56,716	53,575
Accumulated NCI	24,053	22,721

	Year ended March 31, 2025	**Year ended March 31, 2024**
Summarised statement of profit and loss:		
Revenue	27,225	23,417
Expenses	23,696	20,674
Profit after Tax	3,469	2,669
Other Comprehensive Income	(10)	(2)
Total comprehensive income	3,459	2,667
Profit allocated to NCI	1,471	1,133
Dividends paid to NCI	135	135
Summarised Cash Flow Statement:		
Net cash inflow from operating activities	3,800	2,464
Net cash (outflow) from investing activities	(2,236)	(1,777)
Net cash (outflow) from financing activities	(1,863)	(257)

* Consolidated financial information of Zydus Wellness Limited

NOTE: 48-FINANCIAL INSTRUMENTS:

A Fair values hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data relying as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the Consolidated Financial Statements

NOTE: 48-FINANCIAL INSTRUMENTS: (Continued)

B Financial assets and liabilities measured at fair value - recurring fair value measurements:

₹ in Million

	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial Assets at FVTPL:				
Mutual funds	3,254	-	-	3,254
Bonds	2,374	-	-	2,374
Government Securities	23,814	-	-	23,814
Derivative Financial Asset	178	-	-	178
Financial Investments at FVTOCI:				
Quoted equity instruments	888	-	-	888
Unquoted equity instruments	-	-	29	29
Unquoted Investments in Partnership Firm	-	-	408	408
Total financial assets	**30,508**	**-**	**437**	**30,945**
Financial liabilities				
Financial Liabilities at FVTPL:				
Derivative Financial Liability	191	-	-	191
Financial liability related to contingent consideration (Refer Note-53 A and B)	-	-	11,427	11,427
Total financial liabilities	**191**	**-**	**11,427**	**11,618**

	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial Assets at FVTPL:				
Mutual funds	2,525	-	-	2,525
Bonds	2,580	-	-	2,580
Derivative not designated as hedge:				
Forward Contract value related to investment in a Joint Venture	-	2,803	-	2,803
Financial Investments at FVTOCI:				
Quoted equity instruments	608	-	-	608
Unquoted equity instruments	-	-	1,083	1,083
Unquoted Investments in Partnership Firm	-	-	301	301
Total financial assets	**5,713**	**2,803**	**1,384**	**9,900**
Financial liabilities:				
Financial Liabilities at FVTPL:				
Financial liability related to contingent consideration (Refer Note-53 B)	-	-	10,080	10,080
Total financial liabilities	**-**	**-**	**10,080**	**10,080**

C Fair value of instruments measured at amortised cost:

Financial Assets:

The carrying amounts of trade receivables, other financial assets (other than derivatives), cash and cash equivalents, investment in preference shares and compulsorily convertible debentures are considered to be the approximately equal to the fair values.

Notes to the Consolidated Financial Statements

NOTE: 48-FINANCIAL INSTRUMENTS: (Continued)

Financial Liabilities:

Fair values of loans from banks, other financial liabilities except financial liability related to contingent consideration and trade payables are considered to be approximately equal to the carrying values.

D Valuation process and technique used to determine fair value:

Specific valuation techniques used to value financial instruments include the use of quoted market prices for similar instruments. The valuation has been derived using the Present Value technique under Income Approach. The valuation includes significant unobservable inputs like Weighted Average Cost of Capital (WACC), revenue forecast, etc.

NOTE: 49-FINANCIAL RISK MANAGEMENT:

A Financial instruments by category:

₹ in Million

	As at March 31, 2025			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity instruments (other than investment in Equity of a subsidiary)	-	917	-	917
Preference shares	-	-	334	334
Debentures	-	-	28	28
Bonds	2,374	-	1,044	3,418
Partnership Firm	-	408	-	408
Mutual funds	3,254	-	-	3,254
Commercial Papers	-	-	12,714	12,714
Certificate of Deposits	-	-	5,749	5,749
Inter Corporate Deposits	-	-	2,011	2,011
Government Securities	23,814	-	-	23,814
Non Current Other Financial Assets	-	-	409	409
Trade receivables	-	-	40,247	40,247
Cash and Cash Equivalents	-	-	29,568	29,568
Loans	-	-	771	771
Derivative Financial Asset	178	-	-	178
Other Current Financial Assets	-	-	4,952	4,952
Total	**29,620**	**1,325**	**97,827**	**128,772**
Financial liabilities:				
Borrowings (including current maturities and interest accrued but not due)	-	-	31,700	31,700
Financial liability related to contingent consideration	11,427	-	-	11,427
Non Current Other Financial Liabilities	-	-	801	801
Trade payables	-	-	23,058	23,058
Payable for Capital Goods	-	-	1,269	1,269
Book Overdraft	-	-	48	48
Derivative Financial Liability	191	-	-	191
Other Current Financial Liabilities	-	-	17,631	17,631
Total	**11,618**	**-**	**74,507**	**86,125**

Notes to the Consolidated Financial Statements

NOTE: 49-FINANCIAL RISK MANAGEMENT: (Continued)

₹ in Million

	As at March 31, 2024			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity instruments (other than investment in Equity of a subsidiary)	-	1,691	-	1,691
Preference shares	-	-	9	9
Debentures	-	-	861	861
Bonds	2,580	-	75	2,655
Partnership Firm	-	301	-	301
Mutual funds	2,525	-	-	2,525
Non Current Other Financial Assets (other than Forward Contract value related to investment in a JV)	-	-	413	413
Forward Contract value related to investment in a Joint Venture	2,803	-	-	2,803
Trade receivables	-	-	52,202	52,202
Cash and Cash Equivalents	-	-	11,051	11,051
Loans	-	-	15	15
Other Current Financial Assets	-	-	3,770	3,770
Total	**7,908**	**1,992**	**68,396**	**78,296**
Financial liabilities:				
Borrowings (including current maturities and interest accrued but not due)	-	-	7,690	7,690
Financial liability related to contingent consideration	10,080	-	-	10,080
Non Current Other Financial Liabilities	-	-	713	713
Trade payables	-	-	21,267	21,267
Payable for Capital Goods	-	-	963	963
Book Overdraft	-	-	177	177
Other Current Financial Liabilities	-	-	12,852	12,852
Total	**10,080**	**-**	**43,662**	**53,742**

Financial Assets:

The carrying amounts of trade receivables and other financial assets (other than derivatives), cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of loans from banks, other financial liabilities except financial liability related to contingent consideration and trade payables are considered to be approximately equal to the carrying values.

B Risk Management:

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in the financial statements.

Notes to the Consolidated Financial Statements

NOTE: 49-FINANCIAL RISK MANAGEMENT: (Continued)

The Group's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Group's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below:

a Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. The Group is exposed to credit risk from investment in preference shares measured at amortised cost, loans and advances to related parties, trade receivables, bank deposits and other financial assets. The Group periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

i Investments at Amortised Cost : They are strategic investments in the normal course of business of the Group. The Group closely monitors the performance of these Companies.

ii Bank deposits : The Group maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.

iii Trade Receivables: The Group trades with recognized and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to credit losses is not significant.

The Group is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base. Adequate expected credit losses are recognized as per the assessments.

As at March 31, 2025, there is one customer (as at March 31, 2024, there was one customer) (all are wholesalers based in USA) whose outstanding balance exceed 10% of the total receivables. The Group has used lifetime expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Financial assets for which loss allowances is measured using the expected credit loss:

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Trade Receivables:		
Less than 180 days (including not due)	39,849	51,870
180 - 365 days	306	285
Above 365 days	829	503
Total	**40,984**	**52,658**
Movement in the expected credit loss allowance on trade receivables:		
Balance at the beginning of the year	456	250
Addition	309	243
Recoveries	(16)	(40)
Exchange rate differences	(12)	3
Balance at the end of the year	**737**	**456**

Other than trade receivables, the Group has no significant class of financial assets that is past due but not impaired.

Notes to the Consolidated Financial Statements

NOTE: 49-FINANCIAL RISK MANAGEMENT: (Continued)

b Liquidity risk:

a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

b Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the group operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities:

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹ in Million

	< 1 year	1-2 year	2-3 year	> 3 years	Total
	As at March 31, 2025				
Non-derivatives Financial Liabilities:					
Borrowings (including current maturities and interest)	31,978	-	-	-	31,978
Financial liability related to contingent consideration (Refer Note-53 A and B)	3,184	5,442	2,801	-	11,427
Other non current financial liabilities	-	110	68	623	801
Trade payables	23,058	-	-	-	23,058
Accrued Expenses	17,475	-	-	-	17,475
Payable for Capital Goods	1,269	-	-	-	1,269
Unpaid dividend	40	-	-	-	40
Other Current Financial Liabilities	355	-	-	-	355
Total	**77,359**	**5,552**	**2,869**	**623**	**86,403**
	As at March 31, 2024				
Non-derivatives Financial Liabilities:					
Borrowings (including current maturities and interest)	7,739	-	-	-	7,739
Financial liability related to contingent consideration (Refer Note-53 B)	-	3,003	3,820	3,257	10,080
Other non current financial liabilities	-	110	68	535	713
Trade payables	21,267	-	-	-	21,267
Accrued Expenses	12,698	-	-	-	12,698
Payable for Capital Goods	963	-	-	-	963
Unpaid dividend	46	-	-	-	46
Other Current Financial Liabilities	282	-	-	-	282
Total	**42,995**	**3,113**	**3,888**	**3,792**	**53,788**

c Foreign currency risk:

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group's operations in foreign currency create natural foreign currency hedge.

Notes to the Consolidated Financial Statements

NOTE: 49-FINANCIAL RISK MANAGEMENT: (Continued)

Foreign currency risk exposure:

The groups exposure to foreign currency risk at the end of the reporting period expressed in ₹ in Million, are as follows:

₹ in Million

	Exposure of USD	
	2025	2024
Financial assets:		
Trade receivable	77,667	44,521
Cash and Cash equivalents	1,150	669
Investment in quoted equity instruments	137	22
Total exposure to foreign currency risk (assets)	**78,954**	**45,212**
Financial liabilities:		
Foreign currency loan along with interest	-	4,592
Trade and other payable	9,406	7,696
Total exposure to foreign currency risk (liabilities)	**9,406**	**12,288**
Net exposure to foreign currency risk	**69,548**	**32,924**

₹ in Million

	Exposure of Other Foreign Currency	
	2025	2024
Financial assets:		
Trade receivable	2,844	1,889
Cash and Cash equivalents	163	68
Total exposure to foreign currency risk (assets)	**3,007**	**1,957**
Financial liabilities:		
Trade and other payable	1,531	766
Total exposure to foreign currency risk (liabilities)	**1,531**	**766**
Net exposure to foreign currency risk	**1,476**	**1,191**

Sensitivity *:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

₹ in Million

Currency	As at March 31, 2025			As at March 31, 2024		
	Movement in Rate	Impact on PAT (*)	Impact on OCI (*)	Movement in Rate	Impact on PAT (*)	Impact on OCI (*)
USD	2.50%	1,129	3	1.50%	369	0
USD	-2.50%	(1,129)	(3)	-1.50%	(369)	(0)
Others	4.00%	38	-	1.00%	9	-
Others	-4.00%	(38)	-	-1.00%	(9)	-

* Holding all other variables constant.

d Interest rate risk:

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2025, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits are at fixed interest rates.

Notes to the Consolidated Financial Statements

NOTE: 49-FINANCIAL RISK MANAGEMENT: (Continued)

Sensitivity *:

Below is the sensitivity of profit or loss and equity to changes in interest rates:

₹ in Million

	Movement in Rate	As at March 31, 2025	As at March 31, 2024
Interest rates	+0.50%	(33)	(29)
Interest rates	-0.50%	33	29

* Holding all other variables constant

e Price risk:

Exposure:

The group's exposure to price risk arises from investments in Equity and Mutual Funds, Bonds, Government Securities held by the group and classified in the balance sheet as fair value through OCI and at fair value through profit or loss respectively. To manage its price risk arising from these investments, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

Sensitivity *:

The table below summarises the impact of increases/ decreases of the index on the group's equity and profit for the period.

₹ in Million

	Movement in Rate	As at March 31, 2025		As at March 31, 2024	
		Impact on PAT	Impact on OCI	Impact on PAT	Impact on OCI
Equity Instruments (Quoted)					
Increase	+10.00%	-	89	-	61
Decrease	-10.00%	-	(89)	-	(61)
Mutual Funds (Quoted)					
Increase	+2.00%	65	-	51	-
Decrease	-2.00%	(65)	-	(51)	-
Bonds (Quoted)					
Increase	+2.00%	47	-	52	-
Decrease	-2.00%	(47)	-	(52)	-
Government Securities (Quoted)					
Increase	+2.00%	476	-	-	-
Decrease	-2.00%	(476)	-	-	-

* Holding all other variables constant

C Hedge:

Disclosure of effects of hedge accounting on financial position:

Fair Value Hedge:

Hedged item - Changes in fair value of trade receivables attributable to changes in foreign exchange rates

Hedging instrument - Changes in fair value of forward contracts attributable to foreign exchange rates (foreign currency borrowings in previous year)

Notes to the Consolidated Financial Statements

NOTE: 49-FINANCIAL RISK MANAGEMENT: (Continued)

As at March 31, 2025						
Type of hedged risk	**Carrying amount (USD-Million)**	**Carrying amount (₹ in Million)**	**Maturity Date**	**Hedge Ratio**	**Balance sheet classification**	**Changes in fair value relating to hedged risk (₹ in Million)**
Fair Value Hedge:						
Hedging instrument: Certain Forward contracts	100	8,550	Range - Within 6 months	1:1	Other Current Financial Assets	178
Hedged item: Certain foreign currency trade receivables	100	8,550	Range - Within 6 months		Trade Receivables	178

As at March 31, 2024						
Type of hedged risk	**Carrying amount (USD-Million)**	**Carrying amount (₹ in Million)**	**Maturity Date**	**Hedge Ratio**	**Balance sheet classification**	**Changes in fair value relating to hedged risk (₹ in Million)**
Fair Value Hedge:						
Hedging instrument: Certain Foreign currency borrowings and forward contracts	74	6,184	Range - Within 6 months	1:1	Borrowings and Other Current Financial Assets	41
Hedged item: Certain foreign currency trade receivables	74	6,184	Range - Within 6 months		Trade Receivables	41

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the dollar offset method to assess effectiveness. There was no hedge ineffectiveness in any of the periods presented above.

NOTE: 50-CAPITAL MANAGEMENT:

The Group' s capital management objectives are:

a To ensure the Group's ability to continue as a going concern

b To provide an adequate return to shareholders; and

c To maintain an optimal capital structure to reduce the cost of capital.

Notes to the Consolidated Financial Statements

NOTE: 50-CAPITAL MANAGEMENT:(Continued)

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

₹ in Million

	As at March 31, 2025	As at March 31, 2024
Gross debts	31,695	7,686
Total equity	239,531	198,295
Gross debt to equity ratio [No. of times]	0.13	0.04

Loan covenants:

As on March 31, 2025, no long term borrowings is outstanding, hence no financial covenants are applicable to the Group.

NOTE: 51: ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS:

A During the financial year 2021-22, the Group had decided to close the manufacturing facilities of Nesher Pharmaceuticals (USA) LLC [Nesher] and Hercon Pharmaceuticals (USA) LLC [Hercon], both wholly owned subsidiaries of the Group. Consequently, operations of both Nesher and Hercon have been considered and disclosed as "Discontinued Operations" as per Ind AS 105. Accordingly, all the assets and liabilities of Nesher and Hercon have been considered as "Held for sale" as per Ind AS 105 and disclosed separately under in Balance Sheet.

a Financial performance and cash flow information of Discontinued Operations:

₹ in Million

			Year ended March 31, 2025	Year ended March 31, 2024
a	**Financial performance**			
	1	Total Revenue	-	50
	2	Total expenses	-	49
	3	**Profit before Exceptional items and Tax**	**-**	**1**
	4	Exceptional Items [Including impairment [Reversal] on Property, Plant and Equipments and Capital-Works in progress, deferred tax assets and other assets]	-	(291)
	5	**Profit before tax**	**-**	**292**
	6	Tax Expense	-	(62)
	7	**Profit after tax**	**-**	**230**
b	**Cash flow information**			
	1	Net cash inflow (outflow) from operating activities	-	(16)
	2	Net cash inflow (outflow) from investing activities	-	-
	3	Net cash inflow (outflow) from financing activities	-	-
	4	**Net increase (decrease) in cash generated from discontinued operations**	**-**	**(16)**

Notes to the Consolidated Financial Statements

NOTE: 51: ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS: (Continued)

b Assets and liabilities classified as held for sale:

The following assets and liabilities are reclassified as held for sale at fair value: ₹ in Million

		As at March 31, 2025	As at March 31, 2024
1	Property, plant and equipment	-	-
2	Other current assets	-	20
a	**Total Assets classified as held for sale**	**-**	**20**
1	Trade payables	-	19
2	Other current liabilities	-	3
b	**Total Liabilities classified as held for sale**	**-**	**22**

B Considering the long term objective, the management of Zydus Wellness Products Limited, a subsidiary of the Group, has decided in last quarter of the current financial year to reclassify assets located at Sitarganj in Uttarakhand from Asset Held for Sale to Property Plant and Equipment, refer note 3 (A).

C The Board of Directors of the Parent at its meeting held on May 2, 2024, approved to enter into a Share Purchase Agreement (SPA) amongst the Parent, Bayer Zydus Pharma Private Limited (BZPPL) and Bayer Pharmaceuticals Private Limited (BPPL) to sell its entire holding of 12,499,999 equity shares (representing 24.99998% of the total paid-up share capital) of BZPPL to BPPL. The said transaction of transfer of shares was completed on May 6, 2024. Post completion of the said transaction, the Parent does not hold any shares of BZPPL and it has ceased to be the Joint Venture of the Parent. In accordance with Ind AS 105 "Non-Current Assets held for Sale and Discontinued Operations", investment in BZPPL was classified as "Assets held for sale" from Investments accounted for using equity method and disclosed separately at the lower of its carrying value and fair value less costs to sell as at March 31, 2024. The value of such asset was ₹ 439 Million.

NOTE: 52:

Pursuant to the Business Transfer Agreement (BTA) entered into by the Parent with Watson Pharma Private Limited (Watson) on November 29, 2022, the transaction of acquisition of one of the business undertakings of Watson on a going concern basis by way of slump sale, at a lump-sum cash consideration of ₹ 468 Million by the Parent has been completed on August 8, 2023.

Business undertaking of Watson is engaged in the business of developing, manufacturing, marketing and sale of APIs. This acquisition will help the Group to expand its presence in the APIs space through increase in product pipeline and manufacturing capacity.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	**₹ in Million**
Property, Plant and Equipment	468
Other intangible assets	1
Net Identifiable assets acquired	**469**
Capital Reserve	(1)
Total acquisition cost	**468**

Acquisition cost settled in Cash	**₹ in Million**
Consideration	468
Less: Cash and cash equivalents acquired	-
Net Cash outflow on acquisition	**468**

The excess of the fair value of assets acquired over the acquisition cost paid has been attributed to Capital Reserve.

The financial statement for the year ended March 31, 2024 include the operations of the acquired business undertaking of Watson for the period from August 8, 2023.

Notes to the Consolidated Financial Statements

NOTE: 53-BUSINESS COMBINATION:

A Pursuant to the share purchase agreement entered into by the Zydus Wellness Limited (ZWL), a subsidiary of the Parent, on October 30, 2024 to acquire Naturell (India) Private Limited (NIPL). ZWL have completed the acquisition of 100% shares of NIPL on December 2, 2024.

The acquisition provides immense opportunity to broaden the Group's portfolio and invest in brands and products that the Group believes are most relevant to health-conscious consumers. Acquired brands and products will significantly enhance the operating scale and widen the marketing network.

The cost of acquisition is ₹ 3,690 Million as upfront consideration, settled by way of Cash. Over and above upfront consideration, additional consideration of ₹ 210 Million will be paid depending on the achievement of agreed milestones for the financial year 2024-25.

The financial statements for the year ended March 31, 2025 include the operations of NIPL for the period from December 2, 2024 with provisional purchase price allocation (PPA) figures. The PPA figures shall be finalised within the measurement period as provided by Ind AS 103.

The assets and liabilities recognized as a result of the acquisition are as follows:

Particulars	**₹ in Million**
Inventories	101
Trade Receivables	177
Cash and cash equivalents	166
Property, Plant and Equipment	6
Other intangible assets	2,902
Other Assets	63
Current Liabilities	(406)
Non-Current Liabilities	(14)
Identifiable net assets acquired	**2,995**
Goodwill	905
Purchase consideration paid	3,690
Contingent consideration payable	210
Total acquisition cost	**3,900**
Acquisition cost settled in Cash	
Consideration	3,690
Less: Cash and cash equivalents acquired	166
Net Cash outflow on acquisition	**3,524**
The fair value of trade and other receivables acquired as part of the business combination amounted to	177

The above is the same as the Contractual amount of such receivables.

The excess of the acquisition cost paid over the fair value of assets acquired has been attributed to Goodwill and the same shall not be amortised.

The Goodwill recognised under the business combination represents the above stated benefits along with synergetic benefits estimated by the Group.

For measuring the fair value of intangible assets Multi-period Excess Earning Method is applied.

From the date of acquisition, NIPL has contributed revenue of ₹ 617 Millions and profit after tax of ₹ 56 Millions to the Group. If the business combination had taken place at the beginning of the year, revenue would have been ₹ 1,621 Millions and loss after tax would have been ₹ 132 Millions.

Notes to the Consolidated Financial Statements

NOTE: 53-BUSINESS COMBINATION: (Continued)

B Pursuant to the Sale and Purchase Agreement (SPA) entered on October 31, 2023, Zydus Pharmaceuticals UK Limited, United Kingdom (Zydus UK), a wholly owned subsidiary of the Parent, had completed the acquisition of 100% stake of LiqMeds Worldwide Limited, LiqMeds Limited, Medsolutions (Europe) Limited, LiqMeds Lifecare Limited and LM Manufacturing Limited (collectively referred as "LiqMeds Group") on November 6, 2023.

Liquid orals is a large, growing market and serves unmet needs with significant new market expansion opportunities. In line with its patient-centric approach, the Group believes that oral liquid formulations would help geriatric and paediatric patients, bringing in greater ease of convenience and therapy compliance. LiqMeds Group has capabilities and specialisation in development, manufacturing and supply of oral liquid products for global markets, which it currently commercializes through partners.

The cost of acquisition was GBP 68 Million (equivalent to ₹ 7,201 Million) as upfront consideration, settled by way of Cash. Over and above upfront consideration, additional amounts will be paid in cash, in tranches, over subsequent three calendar years, depending on achievement of certain agreed earning milestones for which the range cannot be estimated.

The financial statements for the year ended March 31, 2024 include the operations of the LiqMeds Group for the period from November 6, 2023.

The assets and liabilities recognised as a result of the acquisition were as follows:

Particulars	**₹ in Million**
Inventories	104
Trade Receivables	320
Cash and cash equivalents	60
Property, Plant and Equipment	269
Other intangible assets	3,673
Intangible Assets under Development	11,956
Other Assets	71
Current Liabilities	(161)
Non-Current Liabilities	(19)
Identifiable net assets acquired	**16,273**
Goodwill	692
Goodwill (related to deferred tax liability on intangible assets)	3,924
Total Goodwill	**4,616**
Purchase consideration paid	7,201
Present value of contingent consideration payable	9,764
Total acquisition cost	**16,965**
Acquisition cost settled in Cash	
Consideration	7,201
Less: Cash and cash equivalents acquired	60
Net Cash outflow on acquisition	**7,141**
The fair value of trade and other receivables acquired as part of the business combination amounted to	320

The above is the same as the Contractual amount of such receivables.

The excess of the acquisition cost paid over the fair value of assets acquired has been attributed to Goodwill and the same shall not be amortised.

The Goodwill recognised under the business combination represents the above stated benefits along with synergetic benefits estimated by the Group.

Pursuant to recognition of assets and liabilities at fair value, the Group recognised a deferred tax liability, amounting to ₹ 3,924 Million, for difference between their books base and tax base with a corresponding effect as part of Goodwill.

Notes to the Consolidated Financial Statements

NOTE: 53-BUSINESS COMBINATION: (Continued)

For measuring the fair value of intangible assets (other than Trademark), Multi-period Excess Earning Method was applied and for Trademark, Relief from royalty method was applied.

C On March 11, 2025, the Board of Directors of the Parent has approved entering into a put-option agreement and two other share purchase agreements, to acquire, directly or through its affiliates, a controlling stake i.e. 85.6% equity shares ("Block Acquisition") of Amplitude Surgical SA, France (Amplitude) from the existing shareholders at a price of Euro 6.25 per equity share aggregating to a consideration value of Euro 256.80 Million (equivalent to ₹ 23,798 Million).

After conducting the mandatory information and consultation process with the Social and Economic Committee in France and obtaining a positive opinion from them, the Parent has signed the above mentioned share purchase agreement on April 25, 2025 to acquire 75.4% of the share capital of Amplitude from PAI Partners, Olivier Jallabert and other managers of Amplitude, which together with the two share purchase agreements already signed on March 11, 2025, with two minority shareholders represent 85.6% of the share capital of Amplitude. The closing of the Block Acquisition is subject to usual closing conditions (including authorization from the French Minister of Economy as part of the control of foreign investments in France) and is expected to be completed by Q3 CY25.

Subject to closing of the Block Acquisition, the Parent (or any of its affiliates) would file a mandatory simplified cash tender offer for all the remaining shares in Amplitude, at the same purchase price of Euro 6.25 per equity share of Amplitude.

The commitments to tender 4.7% of Amplitude's share capital (over and above 85.6% stake mentioned hereabove) have already been executed with other minority shareholders of Amplitude. Therefore, the Parent will be in a position to acquire more than 90% of the share capital and voting rights of Amplitude at the end of the tender offer. Post the closing of tender offer, the Parent intends to proceed with a compulsory acquisition of the remaining shares from the minority shareholders (squeeze-out) and to delist Amplitude.

NOTE: 54:

a Following are the details of the funds loaned and invested by the Parent to intermediaries for further loan or investment to the ultimate beneficiaries:

For the details of the funds loaned by the subsidiary to the Parent, refer note (b) below.

Amount in ₹ Million

Name of the intermediary to which the funds are advanced/ invested	Date of loan and investment to intermediary	Amount of loan and investment to intermediary	Date on which funds are further loaned and invested by intermediary to ultimate beneficiary	Amount of fund further loaned and invested by intermediary to ultimate beneficiary	Ultimate beneficiary
Zynext Ventures PTE. LTD.	21-May-24	104	03-Jun-24	104	Zynext Ventures USA LLC
Zynext Ventures PTE. LTD.	29-May-24	67	03-Jun-24	63	Zynext Ventures USA LLC
Zynext Ventures PTE. LTD.	23-Aug-24	168	26-Sep-24	168	Zynext Ventures USA LLC
Zynext Ventures PTE. LTD.	11-Mar-25	436	13-Mar-25	436	Zynext Ventures USA LLC

Complete details of the intermediary and ultimate beneficiary:

Name of entity	Registered address	Relationship with the Company
Zynext Ventures PTE. LTD.	8 Cross Street, #24-03/04, Manulife towers, 048424, Singapore	Wholly owned subsidiary
Zynext Ventures USA LLC	73 Route 31 N, Pennington, NJ 08534, USA	Wholly owned subsidiary

Notes to the Consolidated Financial Statements

NOTE: 54: (Continued)

b The Parent and Indian Subsidiaries have not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise), that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Parent has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

c The Group has defined process to take daily back-up on server physically located in India of books of account maintained electronically and complied with the provisions of the Companies (Accounts) Rules, 2014 (as amended). In case of Zydus Takeda Healthcare Private Limited (Takeda) (JV of the Group), such backup is not maintained on a daily basis.

d The Parent and Indian Subsidiaries have used accounting software for maintaining its books of account for the year ended on March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has been operational throughout the year for all relevant transactions recorded in the software. In case of Zydus Takeda Healthcare Private Limited (Takeda) (JV of the Group), the audit trail was not enabled for certain changes which were performed by users having privileged access rights. Audit trail has been preserved by the Parent and Indian Subsidiaries as per the statutory requirements for record retention. In case of Takeda, audit trail has not been preserved as per the statutory requirements for record retention.

e The Parent and Indian Subsidiaries have not traded or invested in Crypto currency or Virtual currency during the financial year.

f No proceedings have been initiated or pending against the Parent and Indian Subsidiaries for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

g The Parent and Indian Subsidiaries have not been declared as willful defaulter by any bank or financial Institution or other lender.

h The Parent and Indian Subsidiaries do not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

i The Parent and Indian Subsidiaries have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

j No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

k The Parent and Indian Subsidiaries do not have any transaction which is not recorded in 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).

NOTE: 55-DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES:

The Group did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

NOTE: 56:

Figures of previous year have been regrouped/ reclassified to conform to current year's classification.

Signatures to Material Accounting Policies and Notes 1 to 56 to the Financial Statements

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Ahmedabad
May 20, 2025

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]

Part: "A" - Subsidiaries:

Sr. No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting year ended	Reporting Currency	Exchange Rate	₹ in Million										
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiaries	Turnover & Other income from Operations *	Profit/ (Loss) before Taxation *	Provision for Taxation *	Profit/ (Loss) after taxation *	Proposed Dividend	% of share-holding
1	Zydus Wellness Limited	08-Jun-06	March 31, 2025	₹	1.00	636.00	39,710.00	42,135.00	1,789.00	-	2,926.00	407.00	101.00	306.00	381.79	57.59%
2	Zydus Wellness Products Limited	28-Feb-19	March 31, 2025	₹	1.00	2,188.00	22,877.00	34,375.00	9,310.00	298.00	26,194.00	(488.00)	(207.00)	(281.00)	-	57.59%
3	Zydus Healthcare Limited	11-Aug-03	March 31, 2025	₹	1.00	217.00	61,660.00	72,066.00	10,189.00	3,985.00	40,946.00	12,492.00	1,871.00	10,621.00	-	100.00%
4	Zydus Pharmaceuticals Limited	26-Dec-19	March 31, 2025	₹	1.00	7,700.00	(440.20)	7,930.90	671.10	287.70	1,470.60	(133.20)	(18.30)	(114.90)	-	100.00%
5	Biochem Pharmaceutical Private Limited (#)	27-Nov-19	March 31, 2025	₹	1.00	0.10	(0.09)	0.02	0.01	-	-	(0.01)	-	(0.01)	-	100.00%
6	Dialforhealth Unity Limited	23-Jun-05	March 31, 2025	₹	1.00	0.50	(3.51)	0.05	3.06	-	-	(0.20)	-	(0.20)	-	55.00%
7	Dialforhealth Greencross Limited	08-Jul-05	March 31, 2025	₹	1.00	2.50	(2.09)	0.43	0.02	-	-	0.02	0.00	0.02	-	100.00%
8	German Remedies Pharmaceuticals Private Limited	29-Mar-18	March 31, 2025	₹	1.00	668.30	2,665.40	4,243.40	909.70	334.00	5,307.40	809.60	207.30	602.30	-	100.00%
9	Liva Nutritions Limited	21-Dec-18	March 31, 2025	₹	1.00	30.50	(6.52)	24.08	0.10	-	-	(0.02)	0.01	(0.02)	-	57.59%
10	Violio Healthcare Limited (#)	20-Mar-18	March 31, 2025	₹	1.00	0.50	(0.06)	0.45	0.02	-	-	0.01	0.00	0.01	-	100.00%
11	Zydus Animal Health and Investments Limited	10-May-18	March 31, 2025	₹	1.00	14,144.00	9,911.00	24,392.00	337.00	439.00	2,008.00	1,751.00	448.00	1,303.00	-	100.00%
12	Zydus Strategic Investments Limited	10-Jul-20	March 31, 2025	₹	1.00	10.00	1.53	11.65	0.12	-	-	0.78	0.19	0.59	-	100.00%
13	Zydus VTEC Limited	08-Sep-20	March 31, 2025	₹	1.00	3,065.00	(805.10)	2,590.50	330.60	21.50	-	(315.50)	2.10	(317.60)	-	100.00%
14	LM Manufacturing India Private Limited	06-Nov-23	March 31, 2025	₹	1.00	0.50	15.25	33.32	17.56	-	64.42	8.55	1.95	6.60	-	100.00%
15	Zydus Medtech private Limited (**)	31-May-24	March 31, 2025	₹	1.00	1,395.00	(189.00)	2,302.00	1,096.00	1,157.90	23.80	(237.60)	(48.60)	(189.00)	-	100.00%
16	Naturell (India) Private Limited (***)	02-Dec-24	March 31, 2025	₹	1.00	15.00	132.00	532.00	385.00	-	617.00	56.00	-	56.00	-	57.59%
17	Zydus Lanka (Private) Limited	11-Apr-11	March 31, 2025	LKR	0.31	11.49	5.81	62.20	44.90	-	77.23	(11.41)	(3.31)	(8.10)	-	100.00%
18	Zydus Healthcare Philippines Inc.	12-Jul-13	December 31, 2024	PHP	1.50	390.30	213.21	1,109.31	505.79	-	1,430.94	84.80	19.72	65.08	-	100.00%

Sr. No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting year ended	Reporting Currency	Exchange Rate	₹ in Million										
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiaries	Turnover & Other income from Operations *	Profit/ (Loss) before Taxation *	Provision for Taxation *	Profit/ (Loss) after taxation *	Proposed Dividend	% of share-holding
19	Zydus International Private Limited	30-Apr-98	December 31, 2024	Euro	88.78	6,226.96	530.97	29,473.42	22,715.48	-	1,526.43	660.86	59.92	600.93	-	100.00%
20	Zydus Netherlands B.V.	18-Jan-07	December 31, 2024	Euro	88.78	8,616.37	(981.46)	8,851.63	1,216.72	-	-	(129.61)	-	(129.61)	-	100.00%
21	Zydus France, SAS	01-Oct-03	December 31, 2024	Euro	88.78	690.40	(917.88)	1,983.67	2,211.15	-	2,089.48	(153.09)	-	(153.09)	-	100.00%
22	Laboratorios Combix S.L.	23-Jul-08	December 31, 2024	Euro	88.78	664.28	(178.19)	1,335.16	849.07	-	1,698.80	152.96	12.19	140.77	-	100.00%
23	Etna Biotech S.R.L.	26-Nov-08	December 31, 2024	Euro	88.78	7.99	(148.71)	40.93	181.64	-	-	(24.36)	-	(24.36)	-	100.00%
24	Viona Pharmaceuticals (USA) Inc.	11-May-18	March 31, 2025	USD	85.50	427.50	5.73	4,265.85	3,832.62	-	4,208.96	38.56	(1.18)	39.75	-	100.00%
25	Zydus Pharmaceuticals (USA) Inc. ($)	18-Nov-03	March 31, 2025	USD	85.50	256.50	8,564.96	105,452.02	96,630.56	-	100,476.26	926.80	218.95	707.85	-	100.00%
26	Zydus Healthcare (USA) LLC	18-Nov-03	March 31, 2025	USD	85.50	17.10	32.15	296.69	247.44	-	175.06	6.93	4.23	2.71	-	100.00%
27	Sentynl Therapeutics, Inc.	19-Jan-17	March 31, 2025	USD	85.50	2,565.86	(11,136.89)	6,397.37	14,968.40	-	1,987.31	(2,004.99)	0.08	(2,005.07)	-	100.00%
28	Zydus Worldwide DMCC	21-Apr-14	March 31, 2025	USD	85.50	1,967.65	40,591.25	51,164.96	8,606.06	-	2,299.50	(3,554.90)	(319.84)	(3,235.06)	-	100.00%
29	Zydus Wellness International DMCC	28-May-19	March 31, 2025	USD	85.50	5.82	(284.83)	316.84	595.85	-	568.11	(184.83)	-	(184.83)	-	57.59%
30	Zydus Lifesciences Global FZE	20-Feb-24	March 31, 2025	USD	85.50	10,276.52	(1,679.81)	33,489.82	24,893.11	-	11,162.48	(1,578.92)	-	(1,578.92)	-	100.00%
31	Naturell Inc. (USA) (***)	02-Dec-24	March 31, 2025	USD	85.50	0.31	0.06	0.71	0.34	-	-	-	-	-	-	57.59%
32	Zydus Healthcare S.A. (Pty) Ltd	27-Jul-98	December 31, 2024	ZAR	4.60	646.32	82.75	2,505.97	1,776.90	-	2,491.26	82.05	22.28	59.78	-	100.00%
33	Alidac Pharmaceuticals SA (Pty) Ltd	02-Jul-08	December 31, 2024	ZAR	4.60	0.00	(465.04)	-	465.04	-	-	(0.02)	-	(0.02)	-	100.00%
34	Script Management Services (Pty) Ltd	14-Oct-09	December 31, 2024	ZAR	4.60	0.00	3.22	47.49	44.27	-	570.74	0.17	-	0.17	-	100.00%
35	Zydus Nikkho Farmaceutica Ltda.	19-Jul-07	December 31, 2024	BRL	13.90	3,785.68	(2,994.03)	2,955.61	2,163.96	-	2,692.13	(652.79)	(0.11)	(652.68)	-	100.00%
36	Alidac Healthcare (Myanmar) Limited	17-Jun-16	March 31, 2025	MMK	0.02	722.60	(126.62)	1,882.63	1,286.65	-	1,072.27	(187.48)	-	(187.48)	-	100.00%
37	Zydus Pharmaceuticals Mexico SA De CV	25-Aug-10	December 31, 2024	MXN	4.14	700.96	(951.42)	974.98	1,225.44	-	2,121.26	138.47	-	138.47	-	100.00%
38	Zydus Pharmaceuticals Mexico Services Company SA De C.V.	09-Sep-10	December 31, 2024	MXN	4.14	23.19	(26.30)	5.85	8.96	-	0.74	0.03	-	0.03	-	100.00%

Sr. No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting year ended	Reporting Currency	Exchange Rate	₹ in Million										
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiaries	Turnover & Other income from Operations *	Profit/ (Loss) before Taxation *	Provision for Taxation *	Profit/ (Loss) after taxation *	Proposed Dividend	% of share-holding
39	Zydus Therapeutics Inc.	18-Feb-21	March 31, 2025	USD	85.50	29,026.80	(39,971.74)	1,438.45	12,383.39	-	-	(3,042.49)	0.34	(3,042.83)	-	100.00%
40	Zydus Wellness BD Pvt Ltd	18-Nov-21	March 31, 2025	BDT	0.73	26.47	(26.47)	30.42	30.41	-	94.67	(15.08)	0.61	(15.69)	-	57.59%
41	Zynext Ventures PTE. LTD. (#)	21-Feb-23	March 31, 2025	USD	85.50	795.15	(4.33)	791.96	1.14	-	-	(3.15)	-	(3.15)	-	100.00%
42	Zynext Ventures USA LLC (#)	03-Mar-23	March 31, 2025	USD	85.50	788.74	(21.80)	770.78	3.85	324.90	-	(7.61)	-	(7.61)	-	100.00%
43	Zydus Pharmaceuticals Canada Inc (#)	06-Sep-23	March 31, 2025	CAD	59.81	80.74	(79.01)	90.13	88.40	-	-	(102.51)	(26.69)	(75.82)	-	100.00%
44	Zydus Pharmaceuticals UK Limited	08-Feb-23	March 31, 2025	GBP	110.74	7,740.73	(919.21)	18,910.98	12,089.46	-	191.11	583.35	(14.51)	597.86	-	100.00%
45	LiqMeds Worldwide Limited	06-Nov-23	March 31, 2025	GBP	110.74	0.01	1,778.69	1,831.41	52.72	-	1,535.44	1,516.27	47.45	1,468.82	-	100.00%
46	LiqMeds Limited	06-Nov-23	March 31, 2025	GBP	110.74	11.07	(308.35)	501.23	798.50	-	229.84	175.58	43.90	131.69	-	100.00%
47	Medsolutions (Europe) Limited	06-Nov-23	March 31, 2025	GBP	110.74	0.02	10.48	21.58	11.08	-	-	(0.60)	(0.15)	(0.45)	-	100.00%
48	LiqMeds Lifecare Limited	06-Nov-23	March 31, 2025	GBP	110.74	0.01	145.80	165.03	19.22	-	134.02	134.08	32.69	101.38	-	100.00%
49	LM Manufacturing Limited	06-Nov-23	March 31, 2025	GBP	110.74	0.44	(1,977.51)	1,108.60	3,085.67	-	391.00	(753.85)	157.01	(910.86)	-	100.00%

Notes:

* Converted using average exchange rates prevailing during the year.

(#) Subsidiaries are yet to commence commercial operations.

($) Consolidated accounts of Zydus Pharmaceuticals (USA) Inc. including Nesher Pharmaceuticals (USA) LLC and ZyVet Animal Health Inc.

(**) Financial is for the period from acquisition date (i.e. May 31, 2024) to March 31, 2025.

(***) Financial is for the period from acquisition date (i.e. December 2, 2024) to March 31, 2025.

Liva Investment Limited is under liquidation

For and on behalf of the Board

Ahmedabad
May 20, 2025

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Pankaj R. Patel
Chairman
DIN: 00131852

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Part: "B" - Joint Ventures:

Sr. No.	Name of the Joint Venture	Date of incorporation/ acquisition	Latest Audited Balance Sheet Date	Shares held by the Company			Description of how there is significant influence	Reason why the Joint Venture is not consolidated	Net worth attributable to Shareholding as per latest audited balance sheet (₹ in Million)	Profit/(Loss) for the year	
				No. of Shares	Amount invested (₹ in Million)	Extent of holding (%)				Considered in consolidation (₹ in Million)	Not considered in consolidation (₹ in Million)
1	Zydus Hospira Oncology Private Limited	13-Jun-05	March 31, 2024	7,500,000	75	50.00%	N.A.	N.A.	1,924 *	204 *	-
2	Zydus Takeda Healthcare Private Limited	30-Mar-99	March 31, 2025	10,000,000	100	50.00%	N.A.	N.A.	2,588	145	-
3	Bayer Zydus Pharma Private Limited (**)	07-Feb-11	March 31, 2024	12,499,999	125	24.999998%	N.A.	N.A.	-	-	-
4	Oncosol Limited (UK)	06-Nov-23	March 31, 2024	50	0.01	50.00%	N.A.	N.A.	(10)*	(8)*	-
5	Sterling Biotech Limited (***)	29-Aug-24	March 31, 2024	3,216,730,979	6,708	50.00%	N.A.	N.A.	4,758 *	237 *	-

(*) Based on unaudited financial statements for the year ended March 31, 2025.

(**) The Board of Directors of the Zydus Lifesciences Limited (the Company), at its meeting held on May 2, 2024, approved to enter into a Share Purchase Agreement (SPA) amongst the Company, Bayer Zydus Pharma Private Limited (BZPPL) and Bayer Pharmaceuticals Private Limited (BPPL) to sell its entire holding of 12,499,999 equity shares (representing 24.99998% of the total paid-up share capital) of BZPPL to BPPL. The said transaction of transfer of shares was completed on May 6, 2024. Post completion of the said transaction, the Company does not hold any shares of BZPPL and it has ceased to be the Joint Venture of the Company.

(***) Pursuant to the Share Purchase and Share Subscription Agreement (SPSSA) entered on August 23, 2024, Zydus Animal Health and Investments Limited, a wholly owned subsidiary of the Company, has completed the acquisition of 50% stake of Sterling Biotech Limited (SBL) on August 29, 2024. Consequently, SBL has become a Joint Venture of the Group w.e.f. August 29, 2024.

For and on behalf of the Board

Ahmedabad
May 20, 2025

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Pankaj R. Patel
Chairman
DIN: 00131852

Notice

ZYDUS LIFESCIENCES LIMITED

Corporate Identification Number: L24230GJ1995PLC025878
Registered Office: "Zydus Corporate Park", Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad-382481 Gujarat, India
E-mail: companysecretary@zyduslife.com • **Website:** www.zyduslife.com
Phone Number: +91 79 48040000, +91 79 71800000

Notice is hereby given that the Thirtieth Annual General Meeting ("**AGM**") of the members of **Zydus Lifesciences Limited** ("the **Company**") will be held on Tuesday, August 12, 2025, at 10.00 a.m. (IST) through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**"). The venue of the AGM shall be deemed to be the Registered Office of the Company. The following businesses will be transacted at the AGM:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2025, and the reports of the Board of Directors and the Auditors thereon:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2025, together with the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby received, considered and adopted."

2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2025, and the report of the Auditors thereon:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2025, together with the report of the Auditors thereon, as circulated to the members, be and are hereby received, considered and adopted."

3. **To declare dividend of ₹ 11/- (1,100%) per equity share of ₹ 1/- (Rupee One only) each for the Financial Year ended on March 31, 2025:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** approval of the members be and is hereby accorded to declare and pay final dividend of ₹ 11/- (Rupees Eleven only) (1,100%) per equity share of the face value of ₹ 1/- (Rupee One only) each fully paid up, of the Company, as recommended by the Board of Directors for the Financial Year ended on March 31, 2025."

4. **To re-appoint Dr. Sharvil P. Patel (DIN-00131995) as a director liable to retire by rotation:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of section 152 and other applicable provisions, if any, of The Companies Act, 2013 and rules made thereunder (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force) read with Article 90 of the Articles of Association, as recommended by the Board of Directors, Dr. Sharvil P. Patel (DIN:00131995) who, retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment, be and is hereby re-appointed as a director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

5. **To ratify remuneration of Dalwadi & Associates, Cost Accountants appointed as the Cost Auditors:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of section 148(3) and other applicable provisions, if any, of The Companies Act, 2013 read with rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014 and applicable provisions, if any, of The Companies (Cost Records and Audit) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, based on the recommendation of the Audit Committee and the Board of Directors ("the **Board**"), the Company be and hereby ratifies the remuneration of

₹ 0.85 milllion (Rupees Eight Hundred Fifty Thousand only) plus applicable Goods and Services Tax and out of pocket expenses at actuals for the Financial Year ending on March 31, 2026, to Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company pertaining to Drugs and Pharmaceuticals being manufactured by the Company for the Financial Year ending on March 31, 2026.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

6. **To re-appoint Mr. Ganesh N. Nayak (DIN-00017481) as the Director:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of section 197 and other applicable provisions, if any, of The Companies Act, 2013, ("the **Act**") read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V of the Act, applicable provisions of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Articles of Association and based on the recommendation of the Nomination and Remuneration Committee ("the **NRC**") and the Board of Directors ("the **Board**"), Mr. Ganesh N. Nayak (DIN-00017481) be and is hereby re-appointed as the Director in employment of the Company with effect from July 12, 2025, for a further period of 5 (five) years, i.e. from July 12, 2025 to July 11, 2030, notwithstanding the fact that Mr. Ganesh N. Nayak has already attained age of 70 (seventy) years, on payment of remuneration of ₹ 3.00 million (Rupees Three Million only) per month i.e. ₹ 36.00 million (Rupees Thirty Six Million only) per annum, which shall be inclusive of Company's contribution to the Provident Fund, and upon terms and conditions as set out in the draft agreement proposed to be executed between the Company and Mr. Ganesh N. Nayak, with an authority to the Board to alter and vary the terms and conditions of the said re-appointment and / or agreement in such a manner as may be agreed to between the Board and Mr. Ganesh N. Nayak.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, in case the Company has no profits or the profits are inadequate, Mr. Ganesh N. Nayak will be paid Minimum Remuneration within the ceiling limit prescribed under section II of part II of Schedule V of the Act subject to such other disclosures or approvals as may be necessary.

RESOLVED FURTHER THAT Mr. Ganesh N. Nayak shall be entitled to benefits of leave during the term of re-appointment as per the Company policy from time to time and any earned leave not enjoyed by him shall be encashed at the end of the tenure, as may be mutually decided between him and the Managing Director.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

7. **To appoint SPANJ & Associates, Practicing Company Secretaries, as the Secretarial Auditor:**

"**RESOLVED THAT** pursuant to the provisions of section 204 and other applicable provisions, if any, of The Companies Act, 2013 read with rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regulation 24A(1) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and based on the recommendation of the Audit Committee and Board of Directors ("the **Board**"), SPANJ & Associates, Practicing Company Secretaries, (ICSI Firm Registration No. P2014GJ034800, Peer Review Certificate No. 6467/2025) be and are hereby appointed as the Secretarial Auditor of the Company, for the first term of 5 (five) consecutive years, for the financial years from 2025-2026 to 2029-2030 on such remuneration as may be decided by the Board in consultation with the Secretarial Auditor of the Company, to conduct the Secretarial Audit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

By order of the Board of Directors

Dhaval N. Soni
Company Secretary and Compliance Officer
Membership No. FCS7063

Ahmedabad, May 20, 2025

NOTES:

1. The Explanatory Statement pursuant to the provisions of section 102 of The Companies Act, 2013 ("the **Act**"), in respect of the businesses under Item Nos. 5 to 7 of the Notice is annexed hereto. The Board of Directors ("the **Board**") have considered and decided to include Item Nos. 5 to 7 given above in the Thirtieth Annual General Meeting ("**AGM**"), as they are unavoidable in nature. Further, the relevant details with respect to Item Nos. 4 and 6 pursuant to regulation 36(3) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**") and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ("the **ICSI**"), in respect of Directors seeking re-appointment at this AGM are also annexed.

2. The final dividend on equity shares, if declared at the AGM, will be paid electronically on or after Thursday, August 14, 2025 and in any case within the statutory time limit, to those members whose names appear on the Company's Register of Members or List of Beneficial Owners as received from National Securities Depository Limited ("**NSDL**") or Central Depository Services (India) Limited ("**CDSL**") (NSDL and CSDL are collectively referred to as "the **Depositories**") on Friday, July 25, 2025 i.e. the Record Date fixed for this purpose.

3. The Ministry of Corporate Affairs ("**MCA**") vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, May 5, 2022, December 28, 2022, September 25, 2023, and September 19, 2024 ("**MCA Circulars for General Meetings**") and The Securities and Exchange Board of India ("**SEBI**") vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 7, 2023, and October 3, 2024 ("**SEBI Circulars for General Meetings**") (MCA Circulars for General Meetings and SEBI Circulars for General Meeting are collectively referred to as "the **MCA and SEBI Circulars**"), permitted the holding of the general meetings through VC / OAVM, without the physical presence of the members at a common venue till September 30, 2025. In compliance with the provisions of the Act, the Listing Regulations, the MCA and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.

   As the AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, the facility to appoint proxy will not be available for the AGM and hence the Proxy Form and the Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

   Further, pursuant to the provisions of sections 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their vote through e-voting.

   As the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

4. Institutional / Corporate members (i.e. other than individual / HUF, NRI etc.) are required to send a scanned copy (PDF / JPG format) of their Board or governing body Resolution / Authorization etc. authorizing the representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to Mr. Ashish Doshi, the Scrutinizer appointed by the Company, by e-mail on his registered e-mail address at csdoshiac@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

5. Members may note that the Board at its meeting held on May 20, 2025, has recommended a dividend of ₹ 11/- (1,100%) per equity share of ₹ 1/- (Rupee One only) each. The members holding shares as on Friday, July 25, 2025, will be entitled to receive the dividend declared, if any, for the Financial Year ended on March 31, 2025, by the members at the AGM, (i) as per the list of Beneficial Owners provided by the Depositories in respect of shares held in demat mode and (ii) as per the Register of Members of the Company after giving effect to valid transmission / transposition in physical mode lodged with MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), the Registrar and Transfer Agent of the Company ("the **RTA**") on or before the aforesaid date i.e. Friday, July 25, 2025. The transmission / transposition request, complete in all respects, should reach the RTA well before the above date. The dividend, once approved by the members in the AGM, will be paid on or after Thursday, August 14, 2025, electronically through various online transfer modes to those members who have updated their bank account details. **Members are hereby notified that as per the SEBI Circular dated November 17, 2023 and SEBI directive vide email to all the Registrar and Transfer Agents dated January 17, 2024, in case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend / interest etc. shall be paid only through electronic mode with effect from April 1, 2024 upon furnishing all the aforesaid details in entirety. If a security holder updates the PAN, Choice of Nomination, Contact Details including Mobile Number, Bank Account Details and Specimen Signature after April 1, 2024, then the security holder would receive all the dividend / interest etc. declared during that period (from**

April 1, 2024, till date of updation) pertaining to the securities held after the said updation automatically.

The Company has sent letters to the members to register / update the above details, whose details are either pending and / or incomplete.

6. Those members who have not encashed their dividend cheques pertaining to the following financial years are requested to approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund ("**IEPF**") on the respective dates mentioned there against, pursuant to provisions of section 125 of the Act and the rules framed thereunder. Members are requested to note that after such date, they may apply for refund of any unclaimed dividend which has been transferred to IEPF, under section 125(4) or under proviso to section 125(3), as the case may be, to the IEPF authority by making an online application in the prescribed web Form No. IEPF-5 available on website www.iepf.gov.in along with the prescribed documents and fees as may be decided by the IEPF authority.

Financial Year ended	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to the IEPF Account
March 31, 2018	August 13, 2018	350%	September 19, 2025
March 31, 2019	August 9, 2019	350%	September 15, 2026
March 31, 2020	March 16, 2020	350% @	April 22, 2027
March 31, 2021	August 11, 2021	350%	September 17, 2028
March 31, 2022	August 10, 2022	250%	September 16, 2029
March 31, 2023	August 11, 2023	600%	September 17, 2030
March 31, 2024	August 9, 2024	300%	September 15, 2031

@ Interim dividend

Pursuant to and in compliance with the provisions of section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 dated September 5, 2016 as amended from time to time ("the **IEPF Rules**"), during May 2024, the Company has transferred 207,631 (two hundred seven thousand six hundred thirty one) equity shares held by 180 (one hundred eighty) members whose dividend remained unclaimed / unpaid for a consecutive period of 7 (seven) years to IEPF.

Any member who wishes to claim his / her shares or unclaimed dividend may apply to the IEPF authority by making an online application in the prescribed web Form No. IEPF-5 available on website www.iepf.gov.in along with the prescribed documents and fees.

Pursuant to and in compliance with provisions of rule 5(8) of the IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends as on March 31, 2024, on the websites of the Company and IEPF. The links are as under:

Company	https://www.zyduslife.com/investor/admin/uploads/18/112/Statement-of-Unclaimed-Dividend-account-March-31--2024.pdf
IEPF	www.iepf.gov.in

7. The members holding shares in physical mode are requested to intimate MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), the RTA at 5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off. C. G. Road, Navrangpura, Ahmedabad-380006, changes, if any, in their names, registered address along with pin code number, email address, telephone / mobile number, Permanent Account Number ("**PAN**"), mandates, nominations, power of attorneys, bank details such as name of the bank and branch details, bank account number, 9 digit MICR code, 11 digit IFSC, etc. and relevant evidences. Members holding shares in electronic mode shall update such details with their respective DP.

As per the provisions of section 72 of the Act, the facility of making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to the DP in case the shares are held by them in demat mode and to the Company / RTA, in case the shares are held in physical mode.

Members holding shares in physical mode, in identical order of names, in more than 1 (one) folios are requested to send to the Company / RTA, the details of such folios together with the share certificates for consolidating their holdings in 1 (one) folio. A letter of confirmation will be issued to such members after making requisite changes.

In case of joint holders, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

8. The information of the Directors seeking re-appointment at the AGM is provided at **Annexure-"A"** to the Notice as prescribed under regulation 36(3) of the Listing Regulations and standard 1.2.5 of Secretarial Standard on General Meetings issued by the ICSI.

9. In compliance with the MCA and SEBI Circulars, Notice of the AGM of the Company, *inter-alia*, indicating the process and manner of e-voting and the Integrated Annual Report 2024-2025 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / RTA / DP. The Company shall send a letter providing the web-link, including the exact path, where complete details of the Integrated Annual Report is available to those members who have not registered their email IDs. The Company shall send the hard copy of the Integrated Annual Report to those members, who request for the same.

10. In order to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical mode are requested to demat their holdings at the earliest.

11. Mandatory furnishing of KYC details and nomination by holders of physical securities:

SEBI, vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, has prescribed certain mandatory provisions with regard to "Common and Simplified Norms for processing investor's request by RTAs and norms for furnishing PAN, KYC details and Nomination", where the shares are held in physical mode. Said SEBI circular prescribes the following norms:

i. Common and simplified norms for processing any service request from the holder, pertaining to the captioned items, by the RTAs.

ii. Electronic interface for processing investor's queries, complaints and service requests.

iii. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities.

iv. Freezing of folios without valid PAN, KYC details and Nomination and

v. Compulsory linking of PAN and Aadhaar by all holders of physical securities.

Members of the Company holding shares in physical mode shall provide the following documents / details to the RTA of the Company:

i. PAN.

ii. Nomination (for all eligible folios) in Form No. SH-13 or submit declaration to "Opt-Out" in Form No. ISR-3.

Note: Any cancellation or change in nomination shall be provided in Form No. SH-14.

iii. Contact details including postal address with pin code, mobile number, e-mail address.

iv. Bank account details including bank name and branch, bank account number and IFSC.

v. Specimen signature.

Please provide the above documents / details to the RTA of the Company along with other basic details like name of the member, folio number, certificate number and distinctive numbers.

As per the said SEBI circular, the Company has uploaded the following documents (along with the SEBI circular) on the website of the Company:

i. Form No. ISR-1-request for registering PAN, KYC details or changes / updation thereof.

ii. Form No. ISR-2-confirmation of signature of securities holder by the Banker.

iii. Form No. ISR-3-declaration form for opting-out of nomination by holders of physical securities in listed companies.

iv. Form No. SH-13-nomination form.

v. Form No. SH-14-cancellation or variation of nomination.

Further, the contact details of the Company and the RTA are also available on the website of the Company.

SEBI has issued a circular No. SEBI/HO/MIRSD/PoD-1/CIR/2023/37 dated March 16, 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2024/37 dated May 7, 2024) on 'Common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination" which is applicable from April 1, 2023. The norms / procedural requirements for processing service requests of investors are provided in the said SEBI Circular.

The link to view the said SEBI circular dated November 3, 2021, along with the various forms and March 16, 2023, is as under:

https://www.zyduslife.com/shareholderservices.html#contactdetails

https://www.zyduslife.com/public/pdf/SEBI%20Circular_Simplified-norms-for-processing-investors-service-requests_16-03-2023.pdf

Pursuant to the said SEBI circular dated March 16, 2023, the Company has sent letters to all members holding shares in physical mode, whose KYC is pending, to complete their KYC.

SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/

OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("**ODR Portal**") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA / Company directly and through existing SCORES platform, the members can initiate dispute resolution through the ODR Portal (https://smartodr.in/login).

12. Issue of shares in demat mode only:

SEBI vide its notification dated January 24, 2022, amended certain provisions of the Listing Regulations, *inter-alia* pertaining to issue of shares in demat mode only. Further, SEBI vide its circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, issued operational guidelines for demat of securities received for processing investor's service request.

Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft, and mutilation of share certificate. It also substantially reduces the risk of fraud. Therefore, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.

For more details, please visit our website at https://www.zyduslife.com/shareholderservices.html#contactdetails.

13. SEBI vide its circular dated April 20, 2018, directed all the listed companies to record the PAN and bank account details of all their members holding shares in physical mode. All those members who are yet to update their details with the Company / RTA are requested to do so at the earliest. This will help the members to receive the dividends declared by the Company, directly in their respective bank accounts.

14. The members who have not registered their e-mail address so far are requested to register their e-mail address to receive all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.

The e-mail address can be registered with the DP in case the shares are held in demat mode and with the RTA in case the shares are held in physical mode.

The members may also note that the Notice of the AGM and the Integrated Annual Report 2024-2025 are uploaded and available on the website of the Company, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and CDSL at www.zyduslife.com, www.bseindia.com, www.nseindia.com and www.evotingindia.com respectively. The copies of the documents will also be available for inspection during normal business hours on working days from the date of circulation of the Notice upto the date of AGM. For any communication, members may also send requests to the Company's investor e-mail id companysecretary@zyduslife.com or dhavalsoni@zyduslife.com.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested are available for inspection by the members electronically during the AGM.

15. Members may note that the Income Tax Act, 1961, ("the **IT Act**") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020, shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("**TDS**") at the time of making the payment of dividend.

The Company will send an e-mail which will contain the details of prescribed tax rates for various categories of members (Resident Indian, Non-Resident Indian, FIIs, FPIs, etc.), the link to download various blank forms / documents and separate link and e-mail id to upload the signed forms and various documents by the members to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

For the information of the members, it is hereby clarified that no tax will be deducted on payment of dividend to the resident individual members if the total dividend to be paid during a financial year does not exceed ₹ 0.01/- million (Rupees Ten Thousand only), or if an eligible resident member has provided a valid declaration in Form No. 15G / Form No. 15H or other documents as may be applicable to different categories of members. The rate of TDS would vary depending on the residential status of the member and documents registered with the Company.

In case TDS is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, an option is still available with the member to file the Return of Income and claim an appropriate refund. No claim shall lie against the Company for such TDS / withholding tax deducted.

In the event of any income tax demand (including interest, penalty, etc.) on the Company arising due to any misrepresentation, inaccuracy or omission of information provided by the member(s), such member(s) will be responsible to indemnify the Company and also, provide

the Company with all information / documents and co-operation in any assessment / appellate proceedings before the Tax / Government Authorities.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

If you are a member of the Company as on Friday, July 25, 2025 and the dividend receivable by you is taxable under the IT Act, the Company shall be obligated to deduct tax at source on the dividend payable as per the applicable provisions under the IT Act.

16. **E-voting (voting through electronic means):**

i. The businesses as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with rule 20 of The Companies (Management and Administration) Rules, 2014, standards 7.2 and 8 of the Secretarial Standard on General Meetings, regulation 44 of the Listing Regulations and pursuant to the MCA and SEBI Circulars, the Company is pleased to offer the facility of voting through electronic means, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with CDSL to facilitate the members to cast their votes from a place other than venue of the AGM ("**remote e-voting**"). The facility for voting shall be made available during the AGM through electronic voting and the members participating in the AGM who have not cast their votes by remote e-voting shall be able to exercise their right during the AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.

As the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM in terms of provisions of section 107 of the Act.

ii. Pursuant to the MCA and SEBI Circulars, physical attendance of the members at the AGM venue is not required and AGM can be held through VC / OAVM.

iii. The members can join the AGM through VC / OAVM mode 15 (fifteen) minutes before the scheduled time of the AGM and within 15 (fifteen) minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 (one thousand) members on first come first served basis. This will be in addition to large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

iv. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act.

v. A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the Depositories as on Tuesday, August 5, 2025, being the cut-off date, shall be entitled to avail the facility of remote e-voting or e-voting during the AGM. Persons who are not members as on the cut-off date, but have received this Notice, should treat receipt of this Notice for information purpose only.

The members who have cast their votes by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their votes again.

The members whose names appear in the Register of Members / List of Beneficial Owners as on Tuesday, August 5, 2025, are entitled to vote on the resolutions set forth in the Notice. Eligible members who have acquired shares after sending the Notice electronically and holding shares as on the cut-off date may approach the Company for seeking assistance for issuance of the User Id and Password for exercising their right to vote by electronic means.

vi. Process for those members whose e-mail ids / mobile numbers are not registered with the Company / RTA / Depositories:

I. **Members holding shares in physical mode-** please provide to the Company / RTA, duly filled and signed Form No. ISR-1 and ISR-2, format of which is available on the website of the **Company / RTA**.

II. **The members holding shares in physical mode-** please update your e-mail id and mobile number with your respective DP.

III. **Individual members holding shares in demat mode-**please update your e-mail id and mobile number with your respective DP which is mandatory for e-voting and joining the AGM through VC / OAVM through Depository.

vii. Instructions for members for remote voting, e-voting during AGM and joining the AGM through VC / OAVM are as under:

I. The remote e-voting period commences at **9:00 a.m. (IST) on Saturday, August 9, 2025, and ends at 5:00 p.m. (IST) on Monday, August 11, 2025**. During this period members of the Company, holding shares either in physical mode or in demat mode, as on the cut-off date i.e. Tuesday, August 5, 2025, may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

II. The members who have already voted prior to the AGM date would not be entitled to vote during the AGM.

III. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations, listed companies are required to provide remote e-voting facility to its members in respect of all members' resolutions.

Currently there are multiple e-voting service providers ("**ESPs**") providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user ids and passwords by the members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, SEBI has decided to enable e-voting for all the demat account holders by way of a single login credential, through their demat accounts / websites of Depositories / DPs. Demat account holders would be able to cast their votes without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process.

IV. In view of the aforesaid SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and e-mail id in their demat accounts in order to access e-voting facility. Pursuant to the aforesaid SEBI Circular, login method for e-voting and joining virtual meetings for individual members holding shares in demat mode is given below:

Type of members	Login methods
Individual member holding shares in demat mode with **CDSL**	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and My Easi New (Token) Tab. 2. After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the ESP for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all ESPs, so that the user can visit the website of ESPs directly. 3. If the user is not registered for Easi/Easiest, option to register is available at the website of CDSL www.cdslindia.com and click on login and My Easi New (Token) Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number & e-mail id as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.

Type of members	Login methods
Individual member holding shares in demat mode with **NSDL**	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "**Login**" which is available under '**IDeAS**' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "**Access to e-voting**" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "**Login**" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 4. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN, verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on company name or ESP name and you will be re-directed to ESP website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 5. Members can also download NSDL mobile app "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual member (holding shares in demat mode) login through their **DPs**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

Helpdesk for individual members holding securities in demat mode for any technical issues related to login through Depositories:

Login type	Helpdesk numbers
Individual members holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 21 09911.
Individual members holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or contact at 022-48867000.

V. Login method for e-voting and joining AGM through VC / OAVM for members holding shares in physical mode and members other than individual members holding shares in demat mode is as under:

1. The members should login on to the remote e-voting website www.evotingindia.com.
2. Click on Shareholders.
3. Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID, (e.g. if your beneficiary ID is 12**********, then your user ID is 12**********
   b. For NSDL: 8 Character DP ID followed by 8 digits Client ID, (e.g. if your DP ID is IN300*** and Client ID is 12******, then your user ID is IN300***12******
   c. Members holding shares in physical mode should enter Folio Number registered with the Company (e.g. if your folio number is 1*****, then your user ID is 1*****)
4. Next enter the Image Verification as displayed and click on Login.
5. If you are holding shares in demat mode and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For members holding shares in physical mode and members other than individual members holding shares in demat mode
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (applicable for both, members holding shares in physical mode and members other than individual members holding shares in demat mode).
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank details or Date of Birth (DOB) (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat mode will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company in which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For members holding shares in physical mode, the details can be used only for e-voting on the resolutions contained in the Notice.
10. Click on the EVSN for **ZYDUS LIFESCIENCES LIMITED** on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent (agree) to the Resolution and option NO implies that you dissent (disagree) to the Resolution.

12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
13. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the vote cast by clicking on "Click here to print" option on the Voting page.
16. If demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
17. For members other than individual members, there is also an optional provision to upload Board Resolution ("**BR**") / Power of Attorney ("**POA**") which if uploaded, will be made available to scrutinizer for verification.
18. Note for Non-Individual members and Custodians (For Remote Voting only):
    - Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
    - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
    - A scanned copy of the BR and POA which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
    - Alternatively, Non-Individual members are required to send the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the scrutinizer at his email id i.e. csdoshiac@gmail.com and to the Company at the email id i.e. companysecretary@zyduslife.com or dhavalsoni@zyduslife.com, if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

    A member can opt for only one mode of voting i.e. either through remote e-voting or during the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.

    The Company has appointed Mr. Ashish Doshi, Practicing Company Secretary, to act as the Scrutinizer for conducting the remote e-voting and e-voting during the AGM in a fair and transparent manner.

    The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the resolutions at the AGM shall be announced by the Chairman or any other person authorised by him immediately after the results are declared.

    The results declared along with the Scrutinizer's Report, will be posted on the website of the Company www.zyduslife.com and on the website of CDSL www.cdslindia.com and will be displayed on the Notice Board of the Company at its registered office immediately after the declaration of the results by the Chairman or any other person authorised by him and communicated to the Stock Exchanges.

viii. **Instructions for members attending the AGM through VC / OAVM and e-voting during AGM are as under:**

I. The procedure for attending the AGM and e-voting on the day of AGM is same as the instructions mentioned above for remote e-voting.

II. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

III. The members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.

IV. The members are encouraged to join the AGM through Laptops / I-Pads for better experience.

V. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

VI. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.

VII. The members who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending their request in advance at least 7 (seven) days prior to the AGM mentioning their name, demat account number / folio number, e-mail id, mobile number at the Company's e-mail id. The members who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to the AGM mentioning their name, demat account number / folio number, e-mail id, mobile number at the Company's e-mail id. These queries will be replied to by the Company suitably.

VIII. Those members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.

IX. Only those members, who are present in the AGM through VC / OAVM facility and have not cast their votes on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

X. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the AGM through VC / OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

If you have any queries or issues regarding attending AGM and e-voting from the e-voting system, you can write an e-mail to helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

Request to the members:

The members desiring any relevant information on the Audited Financial Statements or any matter to be placed at the AGM are requested to write to the Company at least 7 (seven) days in advance of the date of AGM through e-mail on companysecretary@zyduslife.com or dhavalsoni@zyduslife.com. The same will be replied to by the Company suitably.

ZYDUS LIFESCIENCES LIMITED

Corporate Identification Number: L24230GJ1995PLC025878
Registered Office: "Zydus Corporate Park", Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad-382481 Gujarat, India
E-mail: companysecretary@zyduslife.com • **Website:** www.zyduslife.com
Phone Number: +91 79 48040000, +91 79 71800000

Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013:

The following statement sets out all material facts relating to the business under Item Nos. 5 to 7 of the accompanying Notice dated May 20, 2025.

ITEM NO. 5:

In accordance with the provisions of section 148 of the Act and rule 14 of The Companies (Audit and Auditors) Rules, 2014 ("the **Rules**") and The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to Drugs and Pharmaceuticals manufactured by the Company.

On the recommendation of the Audit Committee, the Board of Directors ("the **Board**") had approved the appointment of Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) as the Cost Auditors of the Company to conduct audit of cost records of the Company for the Financial Year ending on March 31, 2026, at a remuneration of ₹ 0.85 million (Rupees Eight Hundred Fifty Thousand only) plus applicable Goods and Services Tax and out of pocket expenses at actuals.

Dalwadi & Associates, Cost Accountants, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. As per the provisions of section 148(3) of the Act, read with rule 14(a)(ii) of the Rules, the remuneration payable to the Cost Auditors shall be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the passing of the resolution as an Ordinary Resolution as set out at Item No. 5 of the Notice.

ITEM NO. 6:

Mr. Ganesh N. Nayak (DIN-00017481) was appointed as the Whole Time Director, designated as the Executive Director, of the Company for a period of 3 (three) years w.e.f. July 12, 2021. Later on, Mr. Ganesh N. Nayak was re-appointed as the Whole Time Director for a further period of 1 (one) more year w.e.f. July 12, 2024. His appointment will expire on July 11, 2025.

The Board, based on the recommendation of the Nomination and Remuneration Committee ("the **NRC**"), at its meeting held on May 20, 2025, re-appointed Mr. Ganesh N. Nayak, as the Director in employment of the Company for a further period of 5 (five) years w.e.f. July 12, 2025 to July 11, 2030, notwithstanding the fact that Mr. Ganesh N. Nayak has already attained age of 70 (seventy) years, on a remuneration of ₹ 3.00 million (Rupees Three Million only) per month i.e. ₹ 36.00 million (Rupees Thirty Six Million only) per annum, which shall be inclusive of the Company's contribution to Provident Fund.

In addition to above remuneration, Mr. Ganesh N. Nayak shall be entitled to below perquisites:

Perquisites will *inter-alia* include premium on (i) personal accident insurance policy as per Company policy, (ii) medical premiums for self and family as per Company policy and (iii) car with driver for official and personal purposes.

The remuneration of Mr. Ganesh N. Nayak shall be subject to revision every year, based on his individual performance and performance of the Company, which shall be within the statutory limits prescribed under the Act, based on his individual performance and performance of the Company.

For determining the quantum of remuneration of an executive director, certain performance indicators are considered, which *inter-alia* includes the revenue growth, EBITDA growth, ESG goals, creation of stakeholders' long-term value and return on investment.

Mr. Ganesh N. Nayak has furnished his consent / declaration for his re-appointment as required under the Act and the rules framed thereunder.

In the opinion of the Board, Mr. Ganesh N. Nayak fulfills the conditions specified in the Act and rules framed thereunder and the Listing Regulations.

Considering the vast experience and knowledge in the field of marketing and pharmaceutical business and his strategic leadership and marketing acumen, it would be in the interest of the Company that Mr. Ganesh N. Nayak be re-appointed as the Director in employment of the Company for a further period of 5 (five) years w.e.f. July 12, 2025 upto July 11, 2030 notwithstanding the fact that Mr. Ganesh N. Nayak has already attained age of 70 (seventy) years. He shall be liable to retire by rotation.

Mr. Ganesh N. Nayak shall continue to report to the Managing Director.

Though Mr. Ganesh N. Nayak is not re-appointed as the Key Managerial Personnel, however he will be Director in whole time employment of the Company for the term of 5 (five) years. Hence, though not mandatory, it may be noted that Mr. Ganesh N. Nayak fulfills all the conditions prescribed under Part I of Schedule V of the Act. Mr. Ganesh N. Nayak will be paid salary and perquisites during the currency of his tenure of re-appointment based on his performance evaluation by the NRC, as per the amount provided in the resolution set out at Item No. 6 of the Notice.

The NRC also reviewed the gradual shift in the roles and responsibilities of Mr. Ganesh N. Nayak. There has been a gradual reduction in the areas / functions which are managed and supervised by Mr. Ganesh N. Nayak over the last few years.

At present, the Company is having adequate profit and the remuneration proposed to be paid to Mr. Ganesh N. Nayak in terms of this re-appointment is not expected to exceed the maximum permissible remuneration payable to an Executive Director. However, it is proposed that Mr. Ganesh N. Nayak shall be paid Minimum Remuneration, where the profits of the Company are inadequate, or the Company does not earn profits as provided in Part II of Schedule V of the Act subject to all requisite disclosure and compliances. The Company and Mr. Ganesh N. Nayak are entitled to terminate the agreement of appointment by giving not less than 3 (three) months' notice in writing to either party. If Company terminates the agreement without giving aforesaid notice, Mr. Ganesh N. Nayak shall be entitled to receive 3 (three) months' remuneration in lieu of notice.

Save and except Mr. Ganesh N. Nayak himself and his relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the passing of the resolution as a Special Resolution as set out at Item No. 6 of the Notice.

ITEM NO. 7:

As per the provisions of regulation 24A(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**") which are applicable from April 1, 2025, every listed company shall undertake Secretarial Audit by a Secretarial Auditor, who is peer reviewed Company Secretary. Further, the appointment of a Secretarial Auditor shall be subject to approval of the members at the Annual General Meeting.

Based on the recommendation of the Audit Committee and the Board, it is proposed to appoint SPANJ & Associates, Practicing Company Secretaries ("the **Firm**") as the Secretarial Auditor of the Company, subject to approval of the members at the ensuing AGM, for the first term of 5 (five) consecutive years, for the financial years from 2025-2026 to 2029-2030, on such remuneration as may be decided by the Board in consultation with the Secretarial Auditor of the Company, to conduct the Secretarial Audit.

The Firm (i) holds a valid certificate of peer review issued by The Institute of Company Secretaries of India, (ii) has not incurred any of the disqualifications as specified by the SEBI and (iii) shall render only those services which are approved by the Board. It is proposed to pay a fee of ₹ 0.25 million (Rupees Two Hundred Fifty Thousand only) plus other out of pocket expenses incurred for providing the Secretarial Audit Report for the Financial Year March 31, 2026. The fees for subsequent years of term, will be approved by the Board based on the recommendation of the Audit Committee. The Firm may provide such other permissible services from time to time as may be approved by the Board.

The Firm is registered with the Institute of Company Secretaries of India ("**ICSI**") under Firm Registration No. P2014GJ034800 and has obtained Peer Review Certificate No. 6467/2025 dated February 28, 2025 (which is valid upto February 28, 2030) issued by peer review board of the ICSI. The partners of the Firm are also peer reviewed.

The Secretarial Audit will be conducted by the lead partner CS Ashish Doshi, Membership No. FCS3544 and Certificate of Practice No. CP2356 registered with the ICSI, who has been in practice since 1996.

The Company has received an eligibility certificate from the Firm confirming that their appointment as Secretarial Auditor for the first term of 5 (five) consecutive years, for the financial years from 2025-2026 to 2029-2030 shall be in accordance with the applicable provisions as well as code of conduct and ICSI Auditing Standards.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

Considering the experience of the Firm in handling secretarial audits of listed companies and its expertise, the Board recommends the passing of the resolution as an Ordinary Resolution as set out at Item No. 7 of the Notice.

By order of the Board of Directors

Dhaval N. Soni
Company Secretary and Compliance Officer
Membership No. FCS7063

Ahmedabad, May 20, 2025

Annexure-"A"

Details of Directors seeking re-appointment at the Thirtieth Annual General Meeting

(Pursuant to the Listing Regulations and Secretarial Standard on General Meetings issued by the ICSI)

Name of the Director	Dr. Sharvil P. Patel, Managing Director
DIN	00131995
Date of Birth	October 13, 1978
Age	46 years
Date of first appointment on the Board	August 1, 1997
Date of re-appointment by the members	August 11, 2023
Qualifications	Bachelor's degree in chemical and pharmaceutical sciences and Doctorate in philosophy (on Breast Cancer) from University of Sunderland, United Kingdom
Expertise in functional area	Knowledge and expertise in pharmaceuticals (including medical, pharmacology and research), manufacturing, marketing, business, and management
Achievements	Dr. Sharvil P. Patel has been conferred the ET Pharma leader of the year at the ET Healthworld India Pharma Awards 2022. He has also been conferred the 'The Economic Times Most Promising Business Leaders of Asia 2020-21' Award,' GenNext Entrepreneur of the Forbes India Leadership Awards (FILA) 2020-21' by the Forbes India and 'Young Turks Award' by India Pharma Awards 2021. He received the '40 Under 40 Most Influential Asians' Award by the Asian Business & Social Forum 2018 (ABSF) and the Young Business Leader '40 under Forty' Award by ET Now in 2017. He has been recognised as the Best CEO in the lifesciences sector by Fortune India magazine. Nearly 350 companies across 26 sectors were shortlisted for their leadership vision and excellence, over a 3-year period. He has also been recognised as the Most Valuable CEOs by the Business World Magazine for the group's strong performance for FY24, overseas expansion and its unwavering commitment to ESG.
Brief resume	Dr. Sharvil Patel is the Managing Director of Zydus Lifesciences Limited. He also officiates as the Chairman on the Board of Zydus Wellness Limited, which is creating several novel experiences for the health-conscious consumers and has a basket of niche products and iconic brands such as Sugar Free, Everyuth and Nutralite, Complan, Glucon D, and Nycil. With a specialisation in Chemical and Pharmaceutical Sciences from the University of Sunderland, U.K., and a doctorate also from the same university for his research work in Breast Cancer at Johns Hopkins, Bayview Medical Centre, USA, He combines both pharma and research expertise. His leadership inspires people to look at an expansive canvas of thoughts and ideas while focusing on a well-defined implementation roadmap. The Company is the only Indian lifesciences company to launch its own patented NCE Lipaglyn, the novel drug to be approved for the treatment of diabetic dyslipidemia. Zydus Group is also the first in the world to announce a treatment for non-cirrhotic NASH, an unmet healthcare condition globally. Supporting the nation first-in-India, first-in-the world therapies, Zydus is at the forefront manufacturing lifesaving drugs, exploring new therapy options through research, discovering vaccines, biologicals, therapeutics, and complex pharmaceutical technologies.
Relationship with other Directors and Key Managerial Personnel	Mr. Pankaj R. Patel, Non-Executive Chairman, is father of Dr. Sharvil P. Patel.

Name of the Director	Dr. Sharvil P. Patel, Managing Director

A. Directorships in listed companies:

1. Zydus Lifesciences Limited
2. Zydus Wellness Limited
3. Gujarat Mineral Development Corporation Limited

Dr. Sharvil P. Patel has not resigned from any listed company in the past 3 (three) years.

B. Directorships in unlisted public companies:

1. Zydus Healthcare Limited
2. Zydus Wellness Products Limited
3. Zydus Foundation
4. Liva Nutritions Limited
5. Liva Investment Limited (under liquidation)

C. Directorships in private companies:

1. Pripan Investment Private Limited
2. Cadmach Machinery Company Private Limited
3. Zydus Hospitals and Healthcare Research Private Limited
4. Cadila Laboratories Private Limited
5. Cadila Lifesciences Private Limited
6. Western Ahmedabad Effluent Conveyance Company Private Limited

Name of companies (except foreign companies) in which Dr. Sharvil P. Patel holds Directorships and Memberships of Committees of the Board

D. Committee positions in companies:

Sr. No.	Name of the Company	Name of the Committee	Position
1.	Zydus Lifesciences Limited	Corporate Social Responsibility and Environment Social and Governance Committee	Member
		Stakeholders' / Investors' Relationship Committee	Member
		Risk Management Committee	Member
		Share Transfer Committee	Member
		Finance and Administration Committee	Member
2.	Zydus Wellness Limited	Corporate Social Responsibility and Environment Social and Governance Committee	Chairman
		Risk Management Committee	Chairman
		Share Transfer Committee	Chairman
		Finance and Administration Committee	Chairman
3.	Zydus Healthcare Limited	Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairman
		Finance and Administration Committee	Chairman

Name of the Director — **Dr. Sharvil P. Patel, Managing Director**

Sr. No.	Name of the Company	Name of the Committee	Position
4.	Zydus Wellness Products Limited	Corporate Social Responsibility Committee	Chairman
5.	Gujarat Mineral Development Corporation Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Risk Management Committee	Member
		Stakeholders' Relationship Committee	Member
		Corporate Social Responsibility Committee	Member
6.	Pripan Investment Private limited	Corporate Social Responsibility Committee	Member
7.	Zydus Hospitals and Healthcare Research Private Limited	Corporate Social Responsibility Committee	Member

Number of shares held in the Company: 14,775 (0.0014%)

Terms and conditions of re-appointment: Liable to retire by rotation

Total remuneration drawn in Financial Year ended on March 31, 2025

(₹ in million)

Sr. No.	Remuneration	Amount
1.	Fixed	210.00
2.	Variable	150.00
		360.00

Notes:

1. Fixed pay is paid during the Financial Year ended on March 31, 2025, and the variable pay was recommended by the NRC to the Board for payment.
2. Fixed portion includes salary and other allowances, and variable portion includes commission.
3. In addition to fixed pay and variable pay, Dr. Sharvil P. Patel is entitled to Company's PF contribution, perquisites and retirement benefits.

Dr. Sharvil P. Patel has not received any remuneration or commission from any of the subsidiary companies. He has received aggregate sitting fees of ₹ 1.40 million (Rupees One Million Four Hundred Thousand only), towards sitting fees for attending the Board and committee meetings, as per the details provided in below table:

(₹ in million)

Sr. No.	Name of the company	Amount
1.	Zydus Healthcare Limited	0.70
2.	Zydus Wellness Limited	0.70
	Total	**1.40**

Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2025: Dr. Sharvil P. Patel has attended all the Board, Committee and General meetings held during the Financial Year ended on March 31, 2025.

Declaration: Dr. Sharvil P. Patel is not debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Name of the Director	Mr. Ganesh N. Nayak, Executive Director
DIN	00017481
Date of Birth	May 18, 1955
Age	70 years
Date of first appointment on the Board	July 12, 2017
Date of re-appointment by the members	August 9, 2024
Qualifications	Bachelor of Science, MBA from Newport University, California, USA. Mr. Ganesh N. Nayak has done General Management Programme from Harvard Business School, Boston, USA.
Expertise in functional area	Knowledge and expertise in pharmaceuticals, marketing, business, and management.
Brief resume	Mr. Ganesh N. Nayak, Executive Director of the Company, spearheads business of the Zydus Group, including its Joint Ventures and Alliances. He joined the Zydus Group in 1977. With more than 48 years' experience, he has contributed significantly to the growth of the Company over the years. The Company has successfully undertaken several expansion plans during his association. With strategic insight and business acumen, Mr. Ganesh N. Nayak has played a key role in several M&A deals and alliances. Strategic management skills, long standing expertise in sales and marketing and new insights from the Harvard Business School have catapulted Mr. Ganesh N. Nayak to the global league of marketing professionals.
Relationship with other Directors and Key Managerial Personnel	None
Name of companies in which Mr. Ganesh N. Nayak holds Directorships and Memberships of Committees of the Board	**A. Directorships in listed companies:** 1. Zydus Lifesciences Limited 2. Zydus Wellness Limited Mr. Ganesh N. Nayak has not resigned from any listed company in the past 3 (three) years. **B. Directorships in unlisted public companies:** Zydus VTEC Limited **C. Directorships in private companies:** 1. Zydus Takeda Healthcare Private Limited 2. Zydus Hospira Oncology Private Limited 3. German Remedies Healthcare Private Limited **D. Committee positions in companies:**

Sr. No.	Name of the Company	Name of the Committee	Position
1.	Zydus Lifesciences Limited	Finance and Administration Committee	Member
2.	Zydus Wellness Limited	Stakeholder's / Investor's Relationship Committee	Chairman
		Audit Committee	Member
		Corporate Social Responsibility and Environment Social and Governance Committee	Member
		Share Transfer Committee	Member
		Finance and Administration Committee	Member
3.	Zydus Hospira Oncology Private Limited	Corporate Social Responsibility Committee	Chairman

Name of the Director	**Mr. Ganesh N. Nayak, Executive Director**
Number of shares held in the Company	2,46,278 (0.02%)
Terms and conditions of re-appointment	As mentioned in the resolution and explanatory statement.
Total remuneration drawn in Financial Year ended on March 31, 2025	(₹ in million) **Sr. No. / Remuneration / Amount** 1. Fixed — 72.00 2. Variable — 78.00 **150.00** **Notes:** 1. Fixed pay is paid during the Financial Year ended on March 31, 2025, and the variable pay was recommended by the NRC to the Board for payment. 2. Fixed portion includes salary and other allowances, and variable portion includes commission. 3. In addition to fixed pay and variable pay, Mr. Ganesh N. Nayak is entitled to Company's PF contribution, perquisites and leave benefits. Mr. Ganesh N. Nayak has not received any remuneration or commission from any of the subsidiary companies. He has received sitting fees of ₹ 1.00 million (Rupees One Million only), towards sitting fees for attending the Board and committee meetings of Zydus Wellness Limited.
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2025	Mr. Ganesh N. Nayak has attended all the Board, Committee and General meetings held during the Financial Year ended on March 31, 2025.
Declaration	Mr. Ganesh N. Nayak is not debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

INFORMATION AT A GLANCE

Particulars	Details
Day, Date and time of AGM	Tuesday, August 12, 2025, at 10.00 a.m. (IST)
Mode	Video Conferencing / Other Audio Visual Means
E-voting website of CDSL	www.evotingindia.com
Record Date for dividend	Friday, July 25, 2025
Dividend payment date	On or after Thursday, August 14, 2025
Cut-off date for e-voting	Tuesday, August 5, 2025
E-voting start date and time	Saturday, August 9, 2025, at 9.00 a.m. (IST)
E-voting end date and time	Monday, August 11, 2025, at 5.00 p.m. (IST)
Last date for speaker registration and sending questions	Tuesday, August 5, 2025
Date of declaration of voting results	Tuesday, August 12, 2025
Name, address and contact details of e-voting service provider	**Central Depository Services (India) Limited** A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel, Mumbai-400001. Mr. Rakesh Dalvi Sr. Manager-CDSL **Toll free number:** 1800 21 09911 **Email address:** helpdesk.evoting@cdslindia.com **Website:** www.evotingindia.com
Name, address, and contact details of Registrar and Share Transfer Agent	MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083 **Tel No.:** +91 810 811 8484 **Email address:** ahmedabad@in.mpms.mufg.com **Website:** https://in.mpms.mufg.com

GRI Content Index

Statement of use	Zydus Lifesciences has reported in reference to the GRI Standards for the period 01st April 2024 to 31st March 2025
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Corporate Information (Pg 02) About Zydus (pg 08)
	2-2 Entities included in the organization's sustainability reporting	About the Report (pg 13)
	2-3 Reporting period, frequency and contact point	About the Report (pg 13)
	2-4 Restatements of information	No Restatements in FY 2024-25
	2-5 External assurance	About the Report (pg 13)
	2-6 Activities, value chain and other business relationships	Corporate Information (Pg 03) Operational Highlights (Pg 14-21) Value Creation Model (Pg 22-23)
	2-7 Employees	Human Capital (pg 65)
	2-8 Workers who are not employees	Human Capital (pg 65)
	2-9 Governance structure and composition	Corporate Governance (pg 29)
	2-10 Nomination and selection of the highest governance body	Corporate Governance (pg 29)
	2-11 Chair of the highest governance body	Corporate Governance (pg 29)
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance (pg 29)
	2-13 Delegation of responsibility for managing impacts	Corporate Governance (pg 29-30)
	2-14 Role of the highest governance body in sustainability reporting	About the Report, (pg 13) Corporate Governance (pg 29)
	2-15 Conflicts of interest	Corporate Governance (pg 29)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	About the Report (pg 13)
	2-17 Collective knowledge of the highest governance body	Corporate Governance (pg 29)
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance (pg 29)
	2-19 Remuneration policies	Corporate Governance (pg 29)
	2-20 Process to determine remuneration	Corporate Governance (pg 29)
	2-21 Annual total compensation ratio	Corporate Governance (pg 29)
	2-22 Statement on sustainable development strategy	Chairman's Message (pg 10-11)
	2-23 Policy commitments	Corporate Governance (pg 30)
	2-24 Embedding policy commitments	Corporate Governance (pg 30)
	2-25 Processes to remediate negative impacts	Corporate Governance (pg 30)
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance (pg 30)
	2-27 Compliance with laws and regulations	Corporate Governance (pg 30)
	2-28 Membership associations	Business Responsibility and Sustainability Report (pg 249)
	2-29 Approach to stakeholder engagement	Sustainability at Zydus
	2-30 Collective bargaining agreements	Human Capital (pg 73)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability at Zydus (pg 24)
	3-2 List of material topics	Sustainability at Zydus (pg 24)
	3-3 Management of material topics	Financial Capital (pg 44)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital (pg 45)
GRI 3: Material Topics 2021	3-3 Management of material topics	Relationship Capital (pg 96)
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Relationship Capital (pg 100)
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance (pg 29)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance (pg 30)
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance (pg 30)
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance (pg 30)
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance (pg 29)
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance (pg 30)
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital (pg 77)
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital (pg 77)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital (pg 80)
	302-3 Energy intensity	Natural Capital (pg 81)
	302-4 Reduction of energy consumption	Natural Capital (pg 82)
	302-5 Reductions in energy requirements of products and services	Natural Capital (pg 82)
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital (pg 77)
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital (pg 88)
	303-2 Management of water discharge-related impacts	Natural Capital (pg 88)
	303-3 Water withdrawal	Natural Capital (pg 89)
	303-4 Water discharge	Natural Capital (pg 90)
	303-5 Water consumption	Natural Capital (pg 89)
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital (pg 77)
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital (pg 77)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital (pg 85)
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital (pg 85)
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital (pg 85)
	305-4 GHG emissions intensity	Natural Capital (pg 85)
	305-5 Reduction of GHG emissions	Natural Capital (pg 86)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital (pg 87)
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital (pg 77)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital (pg 92)
	306-2 Management of significant waste-related impacts	Natural Capital (pg 92)
	306-3 Waste generated	Natural Capital (pg 92)
	306-4 Waste diverted from disposal	Natural Capital (pg 93)
	306-5 Waste directed to disposal	Natural Capital (pg 93)
GRI 3: Material Topics 2021	3-3 Management of material topics	Relationship Capital (pg 96)
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Relationship Capital (pg 97)
	308-2 Negative environmental impacts in the supply chain and actions taken	Relationship Capital (pg 97)
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital (pg 64)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital (pg 66)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital (pg 70)
	401-3 Parental leave	Human Capital (pg 71)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital (pg 74)
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital (pg 74)
	403-3 Occupational health services	Human Capital (pg 75)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital (pg 75)
	403-5 Worker training on occupational health and safety	Human Capital (pg 74)
	403-6 Promotion of worker health	Human Capital (pg 74)
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital (pg 75) Relationship Capital (pg 97)
	403-8 Workers covered by an occupational health and safety management system	Human Capital (pg 74)
	403-9 Work-related injuries	Human Capital (pg 74)
	403-10 Work-related ill health	Human Capital (pg 74)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital (pg 68)
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital (pg 68)
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital (pg 69)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital (pg 65, 67)
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital (pg 67)
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital (pg 73)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital (pg 73) Relationship Capital (pg 97)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital (pg 73) Relationship Capital (pg 97)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital(pg 73) Relationship Capital (pg 97)
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Capital (pg 114)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Capital (pg 116)
	413-2 Operations with significant actual and potential negative impacts on local communities	Social Capital (pg 117)
GRI 3: Material Topics 2021	3-3 Management of material topics	Relationship Capital (pg 96)
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Relationship Capital (pg 97)
	414-2 Negative social impacts in the supply chain and actions taken	Relationship Capital (pg 97)
GRI 3: Material Topics 2021	3-3 Management of material topics	Manufactured Capital (pg 58)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Manufactured Capital (pg 59)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Manufactured Capital (pg 59) Relationship Capital (pg 104)
GRI 3: Material Topics 2021	3-3 Management of material topics	Relationship Capital (pg 96)
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Relationship Capital (pg 104)
	417-2 Incidents of non-compliance concerning product and service information and labeling	Relationship Capital (pg 104)
	417-3 Incidents of non-compliance concerning marketing communications	Relationship Capital (pg 104)
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance (pg 31)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate Governance (pg 31)

Glossary

Abbreviation	Full Form
5R	Refuse, Reduce, Reuse, Recycle, and Recover
AC	Alternating current
ADL	Analytical Development Laboratory
AFPRO	Action for Food Production
AFR	Alternative Fuels and Raw Materials
AHU	Air Handling Unit
AI	Artificial intelligence
ALS	Amyotrophic Lateral Sclerosis
API	Application programming interface
ASRS	Automated Storage and Retrieval System
ATFD	Agitated Thin Film Dryers
BEE	Bureau of Energy Efficiency
BMD	Bone Mineral Density
BU	Business Unit
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CEMS	Continuous Emission Monitoring Systems
CII	Confederation of Indian Industry
CKD	Chronic Kidney Disease
CO_2	Cardon Dioxide
COP	Coefficient of Performance
COVID-19	Coronavirus disease of 2019
CPCB	Central Pollution Control Boards
CRBs	Concrete Recharge Bandharas
CRYO	Cyroprecipitate
CSR	Corporate Social Responsibility

Abbreviation	Full Form
CT scan	Computed Tomography Scan
CTMS	Clinical Trial Management Systems
CTRI	Clinical Trial Registry of India
CUTX	Copper Histidinate
CVS	Consumer Value Stores
DPCO	Drug Price Control Order
DPDP	Digital Personal Data Protection Act
Dr.	Doctor
DRP	Distribution Requirements Planning
DX	Direct Expansion
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EHS	Environment, Health, and Safety
EPR	Extended Producer Responsibility
ESA	Erythropoiesis Stimulating Agents
ESG	Environment, Social, Governance
ESP	Electrostatic Precipitators
ETP	Effluent Treatment Plant
FBC	Fluidized Bed Combustion boiler
FDA	Food and Drug Administration
FFP	Fresh Frozen Plasma
FIR	First Information Report
FSSC	Food Safety System Certification
GCP	Good Clinical Practices
GDSO	Global Demand and Supply Operations Division
GHG	Greenhouse Gas
GIAN	Gujarat Grassroots Innovation Augmentation Network
GMP	Good Manufacturing Practices
GRI	Global Reporting Initiative
GJ	Gigajoule
HCP	Healthcare Professional

Abbreviation	Full Form
HGPS	Hutchinson-Gilford Progeria Syndrome
HGPS	Hutchinson-Gilford Progeria Syndrome
HIF-PHIs	HIF prolyl hydroxylase inhibitors
HOC	Heat of Compression
HR	Human Right
HSD	High-Speed Diesel
IBD	Inflammatory Bowel Disease
IBD	Inflammatory Bowel Disease
ICU	Intensive Care Unit
ICMR	Indian Council of Medical Research
IIOT	Industrial Internet of Things
IIR	Improving Immunization rate
IIR	Improving Immunization rate
IIRC	International Integrated Reporting Council
IITRAM	Institute of Infrastructure Technology Research and Management
iKW/TR	Input Kilowatts per Ton of Refrigeration
INASL	Indian National Association for Study of the Liver
INDC	Intended National Determined Contributions
INR	Indian Rupee
IPA	Indian Pharmaceutical Association
IPCC	Intergovernmental Panel on Climate Change
IR	Integrated Report
ISG	Indian Society of Gastroenterology
ISN	International Society of Nephrology
ISO	International Organization for Standardization
IUCN	International Union for Conservation of Nature
KL	Kilo Litres
KOL	Key Opinion Leader
KPIs	Key performance indicators
KRAs	Key Responsibility Areas

Abbreviation	Full Form
Kw	Kilowatt
KWF	Kidney Warrior Foundation
LCA	Life Cycle Assessments
LDO	Light Diesel Oil
LLM	Large Language Model
MASLD	Metabolic Dysfunction-Associated Steatotic Liver Disease
MBBS	Bachelor of Medicine, Bachelor of Surgery
MEE	Multi-Effect Evaporators
MOCD	Molybdenum Cofactor Deficiency
Mn	Million
MRI	Magnetic Resonance Imaging
MSME	Micro, Small and Medium Enterprises
MT	Metric Ton
MVR	Mechanical Vapour Recompressors
MW	Megawatt
MWh	Megawatt-hour
NABL	National Accreditation Board for Testing and Calibration Laboratories
MAFLD	Metabolic Dysfunction-Associated Fatty Liver Disease
MASH	Metabolic Dysfunction-Associated Steatohepatitis
NBE	New Biological Entity
NCE	New Chemical Entity
NDW	Nala Deepening and Widening structures
NGFC	Network for Greening the Financial System
NGOs	Non-governmental organization
NPCDCS	National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Disease and Stroke
OCR	Optical Character Recognition
ODD	Orphan Drug Designation
OECD	Organization for Economic Co-operation and Development
OECMS	Online Continuous Emission Monitoring Systems
OSHAS	Occupational Safety and Health Administration

Abbreviation	Full Form
P2P	Procure-to-Pay
PACE	Planning and Collaboration Excellence
PBT	Profit Before Tax
PCV	Packed Cell Volume
PI	Product Insert
PM	Particulate Matter
PPH	Postpartum Hsemorrhage
PPP	Public-Private Partnership
PR	Public Relations
PSU	Public Sector Undertaking
R&D	Research and Development
RCC	Reinforced Cement Concrete
RCCP	Rough Cut Capacity Planning
RCP	Representative Concentration Pathway
RDA	Recommended Dietary Allowance
RE	Renewable Energy
RO	Reverse Osmosis
ROCE	Return on Capital Employed
ROE	Return on Equity
SA	Société Anonyme
SABERA	Social and Business Enterprise Responsible Awards.
SASB	Sustainability Accounting Standards Board
SBL	Sterling Biotech Ltd
SCD	Sickle Cell Disease
SDGs	Sustainable Development Goals
SEZ	Special Economic Zone
SHG	Self-Help Group
SLIM	Strategic Lean Integrated Manufacturing
SOP	Standard Operating Procedure
SPCB	State Pollution Control Board

Abbreviation	Full Form
STEM	Science, Technology, Engineering, and Mathematics
TB	Tuberculosis
TCFD	Taskforce on Climate-related Financial Disclosures
tCO_2e	Tonnes of Carbon Dioxide Equivalent
TDM	Therapeutic Drug Monitoring
TDS	Total Dissolved Solids
TNFD	Taskforce on Nature-related Financial Disclosures
UC	Ulcerative Colitis
U.O.M	Unit of Measure
UCPMP	Uniform Code of Pharmaceutical Marketing Practices
UF	Ultrafiltration
UIP	Universal Immunisation Programme
UK	United States
UN	United Nations
UPS	Uninterrupted Power Supply
US	United States
USA	United States of America
USFDA	United States Food and Drug Administration
VTC	Vaccines Technology Centre
VFD	Variable Frequency Drive
WHO	World Health Organisation
WWF	Worldwide Fund for Nature
YOY	Year-over-year
ZHL	Zydus Healthcare Limited
ZLD	Zero Liquid Discharge
ZLL	Zydus Lifesciences Limited
ZMCH	Zydus Medical College and Hospital

Notes:

Notes:



Zydus Lifesciences Limited

Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar),
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