INDEPENDENT AUDITOR'S REPORT

To The Members of Zydus Healthcare Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Zydus Healthcare 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 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 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 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 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 financial statements.

Emphasis of Matter

We draw attention to Notes 43 and 44 to the Financial Statements, relating to the Schemes of amalgamation of Zydus Healthcare Limited and Biochem Pharmaceuticals Industries Limited with the Company (formerly known as "German Remedies Limited"). These Schemes have been accounted for under the "Purchase Method" as per Accounting Standard 14 – Accounting for Amalgamations and resulting goodwill on amalgamations is being amortized over a period of 10 years, in compliance with the scheme of Amalgamation pursuant to Section 391 and 394 of Companies Act, 1956 and Section 230 to 232 of Companies Act, 2013, approved by the Hon'ble High Court of Gujarat and Hon'ble National Company Law Tribunal, Ahmedabad Bench, respectively. The accounting treatment provided in the Schemes prevails over the requirements of Indian Accounting Standard ("Ind AS"), in accordance with the Ministry of Corporate Affairs notification for Ind AS dated February 16, 2015.

Our report is not modified in respect of this matter.

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 Board's report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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, read with matter stated in Emphasis of Matter paragraph above, the aforesaid 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 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 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 financial statements - Refer Note 27 to the financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were 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, 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 financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities.

(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 interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Act.

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)

sd/-
Kartikeya Raval
Partner
Membership No. 106189
UDIN: 25106189BMNRJB6296

Place: Ahmedabad
Date: May 16, 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 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 financial statements of Zydus Healthcare Limited (the "Company") as at March 31, 2025 in conjunction with our audit of the 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 financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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 financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to 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)

sd/-
Kartikeya Raval
Partner
Membership No. 106189
UDIN: 25106189BMNRJB6296

Place: Ahmedabad
Date: May 16, 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:

(Rs 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 located at Daman admeasuring 7,000 sq. mtr	126	126		No	8 years	

Freehold Building located at Daman admeasuring 47,721sq. mtr	99.95	60.39	Biochem Pharmaceuticals Industries Limited	No	8 years	The title deeds are in the name of Biochem Pharmaceuticals Industries Limited, which was amalgamated with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court of judicature of Gujarat.
Freehold Building located at Mumbai admeasuring 10,042 sq. mtr	185.46	157.67		No	8 years	
Leasehold Building at Vatva, Ahmedabad admeasuring 5,204 sq. mtr	1.18	0.93	Zydus lifesciences Limited(formerly known as Cadila Healthcare Limited)	No	8 years	The title deeds are in the name of Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited), have been transferred and vested in the company under the scheme of arrangement of Indian Human Formulations Undertaking ['IHFU'] u/s 230 to 232 of the Companies Act, 2013, as sanctioned by the Honourable National Company Law Tribunal, Ahmedabad Bench ['NCLT'].
Leasehold Land at vatva, Ahmedabad admeasuring 5,204 sq. mtr	1.00	1.00		No	8 years	
Leasehold Land at Sikkim admeasuring 1.5 acres	18.00	16.41	German Remedies Limited	No	8 Years	The Lease agreement is in the name of German Remedies Limited (GRL), the former name of the Company.
Leasehold Land at Sikkim admeasuring 1.5 acres	32.00	29.81	German Remedies Limited	No	7 Years	
Leasehold Land at Sikkim admeasuring 3.053 acres	289.30	260.26	Zydus Healthcare (Partnership Firm)	No	9 Years	The Lease agreement is in the name of Zydus Healthcare (Partnership Firm) which was converted into a Company (ZHL) and then ZHL amalgamated with GRL. Later, GRL was renamed to ZHL.

(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. 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 Rs. 5 crores, in aggregate, at points of time during the year, from a bank 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 bank 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 or provided guarantee during the year. The Company has made investments in and granted unsecured loans during the year, in respect of which:

A. The Company has provided loans during the year and details of which are given below:

(Rs. in million)

	Loans
A. Aggregate amount granted / provided during the year:	11,566
- Parent	10,566
- Fellow Subsidiaries	1,000
B. Balance outstanding as at balance sheet date in respect of above cases:	42,705
- Parent	42,347
- Fellow Subsidiaries	358

B. The investments made 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. No Loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

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 been generally regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Provident Fund and Income Tax dues.

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:

(Rs. in million)

Name of the Statute	**Nature of the Dues**	**Forum where dispute is pending**	**Period to**	**Amount Involved**	**Amount unpaid**
Income Tax Act, 1961	Demand for Tax and Interest	Commissioner of Income Tax (Appeals)	A.Y. 2015-16 and A.Y. 2022-23	2,115.97*	2,115.97
Income Tax Act, 1961	Demand for Tax and Interest	Dy. Commissioner of Income Tax	A.Y. 2017-18	12.59	-
Income Tax Act, 1961	Demand for Tax and Interest	Dy. Commissioner of Income Tax	A.Y. 2023-24 and 2024-25	0.22	0.22
The Central Excise Act, 1944	Demand for Excise Duty and Penalty	CESTAT, Mumbai	July, 2006 to March, 2007	0.06	0.03
The Central Excise Act, 1944	Demand for penalty	Commissioner (Appeal), Siliguri	FY 2015-2016	2.64	0.24
The Central Excise Act, 1944	Demand for Excise Duty	CESTAT, Calcutta	April, 2016 to November, 2016	177.97	164.62
The Central Excise Act, 1944	Demand for Tax and Penalty	CESTAT, Calcutta	December, 2016 to June, 2017	221.57	213.26
The Central Excise Act, 1944	Demand for Tax and Penalty	High Court, Sikkim	April, 2009 to September, 2012	92.83	85.64
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Ghaziabad	July, 2017 to March, 2018, FY 2018-19, FY 2019-20, FY 2020-21	23.03	20.84
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	High Court, Karnataka	July, 2017 to March, 2018	77.25	77.25
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Sikkim	December, 2017	1.74	1.56

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to	Amount Involved	Amount unpaid
Goods and Service Tax Act, 2017	Demand for Interest	Commissioner (Appeal), Jaipur	July, 2017 to March, 2018	0.46	0.46
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Jaipur	July, 2017 to March, 2018	4.19	3.81
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Delhi	FY 2017-18, FY 2018-19, FY 2019-20	52.84	49.67
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Jabalpur	FY 2017-18	3.87	3.52
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Kerala	FY 2017-18, FY 2019-20	9.64	8.77
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Bengaluru	FY 2018-19, FY 2019-20	5.86	5.34
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Jamshedpur	FY 2017-18	1.73	1.64
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Jammu and Kashmir	FY 2018-19	4.61	4.19
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Punjab	FY 2018-19, FY 2019-20	0.13	0.12
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Tamil Nadu	FY 2018-19	7.74	7.03
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Telangana	FY 2018-19	0.80	0.72
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), West Bengal	FY 2018-19, FY 2019-20, FY 2020-21	10.71	7.01
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Bihar	FY 2018-19, FY 2020-21	5.70	5.49
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Assam	FY 2019-20	0.44	0.40

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to	Amount Involved	Amount unpaid
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Chandigarh	FY 2017-18, FY 2019-20	12.12	11.06
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Daman	FY 2020-21	46.95	46.95
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Haryana	FY 2020-21	2.51	2.51
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Chhatisgarh	FY 2018-19, FY 2019-20	2.41	2.19
Goods and Service Tax Act, 2017	Demand for Tax and Penalty	Commissioner (Appeal), Maharashtra	FY 2019-20, FY 2020-21	1.56	1.56

* Subsequent to the year end, the Company received a rectification order under Section 154 of the Income Tax Act, 1961, reducing the demand notice amount from ₹1,290.44 million to ₹48.20 million in respect of Assessment Year 2015-16.

(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) The Company has not taken any loans or borrowings from any lender Hence reporting under clause(ix)(a) of the order is not applicable to the company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(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) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year, and hence reporting under clause (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 (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 (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 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 holding company, subsidiary company 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 (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 (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

sd/-
Kartikeya Raval
Partner
Membership No. 106189
UDIN: 25106189BMNRJB6296

Place: Ahmedabad
Date: May 16, 2025

ZYDUS HEALTHCARE LIMITED [CIN : U51900GJ1989PLC079501]

Balance Sheet as at March 31, 2025

Particulars	Note No.	INR- Million As at March 31 2025	2024
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 [A]	5,540	5,771
Capital work-in-progress	3 [D]	350	104
Goodwill	3 [B]	3,936	8,537
Other Intangible Assets	3 [B]	933	1,491
Financial Assets:			
Investments	4	473	1,256
Loans	5	28,621	32,834
Other Financial Assets	6	68	79
Other Non-Current Assets	7	394	442
Deferred Tax Asset [Net]	8	1,698	1,329
Assets for Current Tax [Net]	9	195	385
Total Non-Current Assets		42,208	52,228
Current Assets:			
Inventories	10	4,520	3,807
Financial Assets:			
Investments	11	3,552	915
Trade Receivables	12	3,378	2,976
Cash and Cash Equivalents	13 [A]	555	242
Bank balance other than cash and cash equivalents	13 [B]	2,515	6
Loans	14	14,084	2,759
Other Current Financial Assets	15	139	188
Other Current Assets	16	1,115	873
Total Current Assets		29,858	11,766
Total Assets		72,066	63,994
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	17	217	217
Other Equity	18	61,660	53,923
Total equity		61,877	54,140
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities:			
Lease Liabilities	46	2	6
Other Financial Liabilities	19	73	64
Other Non-Current Liabilities	20	5	10
Provisions	21	946	800
Total Non-Current Liabilities		1,026	880
Current Liabilities:			
Financial Liabilities:			
Lease Liabilities	46	4	7
Trade Payables :			
Dues to Micro and Small Enterprises	22	104	187
Dues to Other than Micro and Small Enterprises	22	4,508	4,445
Other Financial Liabilities	23	1,150	1,291
Other Current Liabilities	24	510	700
Provisions	25	2,552	2,268
Current Tax Liabilities [Net]	26	335	76
Total Current Liabilities		9,163	8,974
Total Liabilities		10,189	9,854
Total Equity and Liabilities		72,066	63,994
Material Accounting Policies	2		
Notes to the Financial Statements	3 to 53		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

sd/-
Dr. Sharvil P. Patel
Chairman
DIN - 00131995

sd/-
Kartikeya Raval
Partner
Ahmedabad
May 16, 2025

sd/-
Arvind Bothra
Chief Financial Officer

sd/-
Sanjay D Gupta
Company Secretary

sd/-
Vijay Bhalerao
Whole Time Director
DIN - 10941925
Ahmedabad
May 16, 2025

ZYDUS HEALTHCARE LIMITED [CIN : U51900GJ1989PLC079501]

Statement of Profit and Loss for the year ended March 31, 2025

Particulars	Note No.	INR- Million	
		Year ended March 31	
		2025	2024
INCOME:			
Revenue from Operations	28	40,946	38,995
Other Income	29	3,093	2,438
Total Income		44,039	41,433
EXPENSES:			
Cost of Materials Consumed	30	6,210	7,701
Purchases of Stock-in-Trade	31	2,457	2,681
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	32	(275)	48
Employee Benefits Expense	33	7,966	7,379
Finance Costs	34	4	6
Depreciation and Amortisation expense	3[C]	5,688	5,726
Other Expenses	35	9,480	8,809
Net Loss on foreign currency transactions		17	29
Total Expenses		31,547	32,379
Profit before Tax		12,492	9,054
Less: Tax Expense:			
Current Tax	36	2,240	1,614
Deferred Tax	36	(369)	(1,077)
		1,871	537
Profit for the year		10,621	8,517
OTHER COMPREHENSIVE INCOME [OCI]:			
Items that will not be reclassified to profit or loss:			
Re-measurement [loss] on post employment defined benefit plans		(97)	(58)
Net Gain/[loss] on Fair Value through OCI [FVTOCI] Equity Securities		17	(108)
Income tax effect		17	10
Other Comprehensive Loss for the year [Net of tax]		(63)	(156)
Total Comprehensive Income for the year [Net of Tax]		10,558	8,361
Basic and Diluted Earning per Equity Share [EPS] [in Rupees]	37	4,913.17	3,939.88
Material Accounting Policies	2		
Notes to the Financial Statements	3 to 53		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

sd/-
Dr. Sharvil P. Patel
Chairman
DIN - 00131995

sd/-
Kartikeya Raval
Partner
Ahmedabad
May 16, 2025

sd/-
Arvind Bothra
Chief Financial Officer

sd/-
Sanjay D Gupta
Company Secretary

sd/-
Vijay Bhalerao
Whole Time Director
DIN - 10941925
Ahmedabad
May 16, 2025

ZYDUS HEALTHCARE LIMITED [CIN : U51900GJ1989PLC079501]
Cash Flow Statement for the year ended March 31, 2025

Particulars		INR-Million	
	Year ended March 31		
	2025		2024
A Cash flows from Operating Activities:			
Profit before Tax		12,492	9,054
Adjustments for:			
Depreciation and Amortisation expenses	5,688		5,726
Loss on disposal of Property, Plant and Equipment [Net]	1		4
FVTPL gain/ profit on sale of investments [Net]	(163)		(185)
Interest income	(2,899)		(2,219)
Dividend Income	(3)		(3)
Interest Expense	1		2
Expected credit loss on trade receivables [net]	15		4
Allowance for doubtful advances [net of written back]	12		3
Provision for Employee Benefits	13		(117)
Provisions for probable product expiry claims and return of goods [net of written back]	320		131
Total		2,985	3,346
Operating profit before working capital changes		15,477	12,400
Adjustments for:			
[Increase] in Trade Receivables	(415)		(279)
[Increase]/ Decrease in Inventories	(713)		448
[Increase] in Other Assets	(193)		(90)
[Decrease] in Trade Payables	(43)		(7)
[Decrease]/ Increase in Other Liabilities	(361)		302
Total		(1,725)	374
Cash generated from Operations		13,752	12,774
Income taxes paid [Net of refunds]		(1,774)	(1,610)
Net cash from Operating Activities		11,978	11,164
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]	(476)		(624)
Proceeds from sale of property, plant and equipment and intangible assets	18		13
Proceeds from redemption of non current investments in a partnership firm	900		547
Investment in Partnership Firm	(100)		-
Change in Bank balances (including fixed deposits) not considered as cash and cash equivalents [Net]	(2,494)		-
[Investments in]/ redemption of current investments [Net]	(2,474)		2,055
Loans given to Related parties	(11,565)		(20,327)
Loans repaid by Related parties	4,672		10,464
Interest Received	2,680		1,849
Dividend Received	3		3
Net cash used in Investing Activities		(8,836)	(6,020)
C Cash flows from Financing Activities:			
Lease liabilities [Net]	(8)		(8)
Dividend Paid	(2,821)		(5,080)
Net cash [used in] financing activities		(2,829)	(5,088)
Net Increase in Cash and Cash Equivalents		313	56
Cash and Cash Equivalents at the beginning of the year		242	186
Cash and Cash Equivalents at the end of the year		555	242

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/ non cash items/ pertaining to other activities.

3 Previous year's figures have been regrouped wherever necessary.

ZYDUS HEALTHCARE LIMITED

Cash Flow Statement for the year ended March 31, 2025

4 Summary of Cash and cash equivalents, Bank balance, Current Investments and Fixed Deposits more than 12 months:

		INR-Million		
		As at March 31		
		2025	2024	2023
a	Cash and cash equivalents	555	242	186
b	Bank balance other than cash and cash equivalents	2,515	6	21
c	Current Investments	3,552	915	2,785
d	Fixed Deposits more than 12 month's maturity	-	15	-
e	Total	6,622	1,178	2,992

For movement of lease liabilities, refer Note-46.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

sd/-
Dr. Sharvil P. Patel
Chairman
DIN - 00131995

sd/-
Kartikeya Raval
Partner
Ahmedabad
May 16, 2025

sd/-
Arvind Bothra
Chief Financial Officer

sd/-
Sanjay D Gupta
Company Secretary

sd/-
Vijay Bhalerao
Whole Time Director
DIN - 10941925
Ahmedabad
May 16, 2025

ZYDUS HEALTHCARE LIMITED [CIN : U51900GJ1989PLC079501]
Statement of Changes in Equity for the year ended March 31, 2025

a Equity Share Capital:

	No. of Shares	INR - Million
Equity Shares of INR 100/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2023	2,161,742	217
As at March 31, 2024	2,161,742	217
As at March 31, 2025	2,161,742	217

b Other Equity:

	INR- Million					
	Reserves and Surplus				Items of OCI	Total
	General Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Equity Instruments through OCI	
As at March 31, 2023	**16,921**	**5,541**	**12,365**	**15,798**	**17**	**50,642**
Add: Profit for the year	-	-	-	8,517	-	**8,517**
[Less]: Other Comprehensive loss	-	-	-	(48)	(108)	**(156)**
Total Comprehensive Income	**-**	**-**	**-**	**8,469**	**(108)**	**8,361**
[Less]: Dividends	-	-	-	(5,080)	-	**(5,080)**
As at March 31, 2024	**16,921**	**5,541**	**12,365**	**19,187**	**(91)**	**53,923**
Add: Profit for the year	-	-	-	10,621	-	**10,621**
[Less]: Other Comprehensive loss	-	-	-	(80)	17	**(63)**
Total Comprehensive Income	**-**	**-**	**-**	**10,541**	**17**	**10,558**
[Less]: Dividends	-	-	-	(2,821)	-	**(2,821)**
As at March 31, 2025	**16,921**	**5,541**	**12,365**	**26,907**	**(74)**	**61,660**

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

sd/-
Dr. Sharvil P. Patel
Chairman
DIN - 00131995

sd/-
Kartikeya Raval
Partner
Ahmedabad
May 16, 2025

sd/-
Arvind Bothra
Chief Financial Officer

sd/-
Sanjay D Gupta
Company Secretary

sd/-
Vijay Bhalerao
Whole Time Director
DIN - 10941925
Ahmedabad
May 16, 2025

Note: 1-Company overview:

Zydus Healthcare Limited ["the Company"] [CIN : U51900GJ1989PLC079501] , 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 production, marketing and distribution of pharmaceutical products. The product portfolio of the Company includes human formulations. The registered office of the Company is located at "Zydus Corporate Park", Scheme no.: 63, Survey No.: 536, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Near Vaishnodevi Circle, Ahmedabad - 382481. These financial statements were authorised for issue in accordance with a resolution passed by the Board of directors at its meeting held on May 16, 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 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 Use of key Estimates and Judgements:

The preparation of the 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 financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the 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 Impairment of goodwill:

Significant judgments are involved in determining the estimated future cash flows related to Goodwill to determine its value in use to assess whether there is any impairment in its carrying amounts as reflected in the financials. Refer Note-3.

C Employee benefits:

Actuarial valuation involves key assumption 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-21.

D 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-25.

E Taxes on Income:

Significant judgments are involved in determining the provision for income taxes/ recognition of MAT credit, including amount expected to be paid/ recovered for uncertain tax positions and probability of utilisation of Minimum Alternate Tax [MAT] Credit.
Refer Note-8 and 36.

F 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-27.

3 Foreign Currency Transactions:

The Company's financial statements are presented in Indian Rupees [INR], 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.

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.

4 Revenue Recognition:

A The following are the significant 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 transfer of significant risks and rewards and acceptance by the customer.

Note: 2-Material Accounting Policies-Continued:

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 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.

c 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 favourable 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.

h Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax.

i The Company recognizes MAT credit available as an asset only when and to the extent there is a reasonable certainity of actual utilisation of such credit and also based on historical experience that the company 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 reasonable certainity that the Company will be liable to pay normal tax during the specified period.

Note: 2-Material Accounting Policies-Continued:

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 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 their 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 INR 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 the Statement of profit and loss in the period in which the expenditure is incurred.

C Goodwill arising on Amalgamation is amortised over ten years, as provided in the Scheme of Amalgamation.

D Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated useful life of ten years.

E 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.

F Intangible assets with infinite 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 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.

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.

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.

Note: 2-Material Accounting Policies-Continued:

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 Material 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 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 other 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 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.

Note: 2-Material Accounting Policies-Continued:

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 up to 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 Company operates a defined benefit gratuity plan with contributions to be made to a 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 each balance sheet date using the projected unit credit method. The present value of the defined benefit obligation denominated in INR 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.

c Defined Contribution Plans - Provident Fund Contribution:

Employees of the Company, 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.

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.

Note: 2-Material Accounting Policies-Continued:

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 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 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.

v Investments in subsidiaries and associates:

Investments in subsidiaries and associates 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 associates, the differences between net disposal proceeds and the carrying amounts are recognised 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:

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.

Note: 2-Material Accounting Policies-Continued:

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 as 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.

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. 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 profit or loss, unless designated as effective hedging instruments.

20 Convertible Preference Shares:

Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost [net of transaction costs] until it is extinguished on conversion or redemption. For the part of the convertible preference shares that meets the Ind AS 32 criteria for fixed to fixed classification are recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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 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.

Note: 2-Material Accounting Policies-Continued:

22 Business combinations and Goodwill:

A In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward without any adjustment.

B Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value.

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 fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.

D 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.
This includes the separation of embedded derivatives in host contracts by the acquiree.

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 or 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 subsequent its settlement is accounted for within equity.

F Goodwill is initially measured at cost, being 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.

G After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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 or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

I Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

J Goodwill arising on Amalgamation is amortised over the period as provided in the Scheme of Amalgamation, as approved by the Hon'ble High Court or relevant government authority.

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 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.

ZYDUS HEALTHCARE LIMITED

Notes to the Financial Statements

Note: 3-Property, Plant and Equipment, Intangible Assets & Capital work-in-progress:

[A] Property, Plant and Equipment: **INR-Million**

	Freehold Land	Leasehold Land *	Buildings *	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	**Total**
Gross Block:								
As at March 31, 2023	1,078	509	2,484	4,286	157	211	302	**9,027**
Additions	-	-	2	317	38	47	16	**420**
Disposals	-	-	-	(9)	-	(28)	-	**(37)**
As at March 31, 2024	1,078	509	2,486	4,594	195	230	318	**9,410**
Additions	-	-	2	222	14	56	14	**308**
Disposals	-	-	-	(15)	-	(30)	(0)	**(45)**
As at March 31, 2025	1,078	509	2,488	4,801	209	255	332	**9,673**
Depreciation and Impairment:								
As at March 31, 2023	-	35	362	2,254	95	86	269	**3,101**
Depreciation for the year	-	5	65	439	14	25	10	**558**
Disposals	-	-	-	(6)	-	(14)	-	**(20)**
As at March 31, 2024	-	40	427	2,687	109	97	279	**3,639**
Depreciation for the year	-	6	67	398	16	27	7	**520**
Disposals	-	-	-	(13)	-	(13)	(0)	**(26)**
As at March 31, 2025	-	46	494	3,073	125	110	286	**4,133**
Net Block:								
As at March 31, 2024	1,078	469	2,059	1,907	86	133	39	**5,771**
As at March 31, 2025	1,078	463	1,995	1,729	85	145	45	**5,540**

[B] Intangible Assets:

	Goodwill [refer note-43 & note-44]	Other Intangible Assets: Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	**Total**
Gross Block:						
As at March 31, 2023	46,008	5,609	63	31	27	**5,730**
Additions	-	-	6	-	-	**6**
As at March 31, 2024	46,008	5,609	69	31	27	**5,736**
Additions	-	-	10	-	-	**10**
As at March 31, 2025	46,008	5,609	79	31	27	**5,746**
Amortisation and Impairment:						
As at March 31, 2023	32,870	3,574	53	31	20	**3,678**
Amortisation for the year	4,601	561	4	-	2	**567**
As at March 31, 2024	37,471	4,135	57	31	22	**4,245**
Amortisation for the year	4,601	561	5	-	1	**568**
As at March 31, 2025	42,072	4,696	62	31	23	**4,813**
Net Block:						
As at March 31, 2024	8,537	1,474	12	-	5	**1,491**
As at March 31, 2025	3,936	913	16	-	4	**933**

	INR- Million As at March 31 2025	2024
[C] Depreciation and Amortisation expenses:		
Depreciation *	**520**	558
Amortisation of Goodwill	**4,601**	4,601
Amortisation of Other Intangible Assets	**568**	567
Total	**5,688**	5,726
[D] Ageing of Capital-work-in progress (CWIP):		
a Summarised Statement for movement in Capital-work-in-progress:		
Balance as at the beginning of the year	**104**	11
Add: Expenditure incurred during the year	**564**	519
Less: Capitalized during the year	**(318)**	(426)
Balance as at the end of the year	**350**	104
b Ageing of Capital-work-in-progress:		
i Less than 1 year	**255**	104
ii 1 - 2 years	**95**	-
Total Capital Work-in-Progress	**350**	104

There are no delayed 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.

ZYDUS HEALTHCARE LIMITED

Notes to the Financial Statements

Note: 3-Property, Plant & Equipment and Intangible Assets Continued:

Impairment of goodwill:

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash Generating Unit [CGU], which represents the operating segment of the Company. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level. The Company has only one segment. i.e. Pharmaceuticals. 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 over a period of five years. Key assumptions used are as mentioned below. As of March 31, 2025 and March 31, 2024 the estimated recoverable amount of the CGU exceeded its carrying amount.

	INR- Million	
	Year ended March 31	
The key assumption used for the calculations are as follows:	2025	2024
Long Term Growth Rate	2.00%	2.00%
Discount Rate	13.00%	9.00%

The above discount rate is based on the Weighted Average Cost of Capital [WACC]. These estimates are likely to differ from future actual results of operations and cash flows.

Notes:

1 Additions of INR 8 Million [Previous Year: INR 9 Million] in research assets during the year are included in "Additions" under the respective heads of Gross Block of Tangible assets as above.

2 Legal titles of some of the immovable properties are not in the name of the Company. The Company is in the process of transferring such properties in its name. [Refer Note-47].

[*] Includes right of use assets, refer Note-46 for detailed breakup.

Note: 4-Investments [Non-Current]:

	Face Value [*]	Nos. [**]	INR- Million As at March 31	
Investments in Subsidiaries and Fellow Subsidiaries:				
Investments in Subsidiaries and Fellow Subsidiaries			34	34
Investments in a Partnership Firm			6	906
			40	940
Investments in others:				
Investments in Equity Instruments			29	19
Investments in a Partnership Firm			404	297
			433	316
Total			473	1,256
A Details of Investments in Subsidiaries and Fellow Subsidiaries:				
Investment in Equity Instruments [Valued at cost]:				
Subsidiary Companies [Unquoted]:				
In fully paid-up equity shares of:				
German Remedies Pharmaceuticals Private Limited	10	3,500,000	33	33
			33	33
Fellow Subsidiaries [Unquoted]				
Zydus Animal Health and Investments Limited (INR 600,000)	10	119,143	-	-
Zydus Strategic Investments Limited	10	100,000	1	1
			34	34
B Details of Investment in Partnership Firm (Valued at cost)				
Recon Pharmaceuticals and Investments [Unquoted]				
Fixed Capital Contribution			1	1
Current Capital Contribution			5	905
Profit Sharing Ratio:			6	906
Zydus Healthcare Limited			90%	90%
German Remedies Pharmaceuticals Private Limited			10%	10%
C Details of Investments - Others [Valued at fair value through OCI]:				
Investment in Equity Instruments [Quoted]:				
In fully paid-up Equity Shares of:				
Reliance Industries Limited	10	696 [348]	1	1
Vedanta Limited	10	57,750	27	16
Tanla Platforms Limited	1	2,026	1	2
Jio Financial Services Limited [As at March 31, 2025 INR 79,135] {As at March 31, 2024 INR 123,122} [#]	10	348	-	-
Investment in Partnership Firm [Unquoted]:				
ABCD Technologies LLP			404	297
			433	316
Profit Sharing Ratio for investment in ABCD Technologies LLP			6.83%	6.45%
D a i Aggregate amount of quoted investments			29	19
ii Market value of quoted investments			29	19
E Aggregate amount of unquoted investments			444	1,237

Note: 4-Investments [Non-Current] Continued:

G Explanations:

- a In "Face Value [*]", figures in Indian Rupees unless stated otherwise.
- b In "Nos. [**]" figures of previous year are same unless stated in [ ]{ }.
- c ( )^ Figures in bracket denote amount in Rupees.
- d [#] Pursuant to the scheme of arrangement, the company was allotted 348 equity shares of Jio Financial Services Limited against the holding in Reliance Industries Limited.

	INR- Million	
	As at March 31	
	2025	2024
Note: 5-Loans:		
[Unsecured, Considered Good unless otherwise stated]		
Loans and Advances to Related Parties [*]	**28,621**	32,834
Total	**28,621**	32,834

[*] 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: (Refer Note No.: 39)

	INR- Million					
	As at March 31, 2025			As at March 31, 2024		
	Non-Current	Current [Refer note-14]	Maximum outstanding balance	Non-Current	Current [Refer note-14]	Maximum outstanding balance
A Parent Company and Fellow Subsidiary companies:						
a Zydus Lifesciences Limited	28,621	12,496	42,092	32,834	-	32,834
b Zydus Wellness Limited	-	350	700	-	-	-
c Zydus Wellness Products Limited	-	-	-	-	1,740	2,925
Total	**28,621**	**12,846**		**32,834**	**1,740**	

(#) 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.

	INR- Million	
	As at March 31	
	2025	2024
Note: 6-Other Financial Assets:		
[Unsecured, Considered Good unless otherwise stated]		
Security Deposits	**51**	47
Fixed deposits with maturity more than 12 months	**-**	15
Others	**17**	17
Total	**68**	79
Note: 7-Other Non-Current Assets:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	**86**	141
Balances with Statutory Authorities	**198**	195
Others	**110**	106
Total	**394**	442

Note: 8-Deferred Tax:

A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:

INR-Million

	As at March 31 2023	Charge for the current year	As at March 31 2024	Charge for the current year	As at March 31 2025
Deferred Tax Liabilities:					
Property, Plant & Equipment and Intangible Assets	5,321	(1,715)	3,606	(1,714)	**1,892**
	5,321	(1,715)	3,606	(1,714)	**1,892**
Deferred Tax Assets:					
Retirement benefits	438	(19)	419	(15)	**404**
Provision for Bad and Doubtful Debts	25	1	26	10	**36**
Provision for Expiry and Breakages	516	36	552	97	**649**
Others	-	3	3	(3)	**-**
Total	979	21	1,000	89	**1,089**
Net Deferred Tax Liabilities/(Assets)	4,342	(1,736)	2,606	(1,803)	**803**
MAT credit recognised in books	(4,594)	659	(3,935)	1,434	**(2,501)**
Net Deferred Tax Liabilities/(Assets)	(252)	(1,077)	(1,329)	(369)	**(1,698)**

Note: 8-Deferred Tax - Continued:

B The Net Deferred Tax Asset of INR 369 [Previous Year: INR 1,077] Million has been credited in the Statement of Profit and Loss during the year.

C MAT Credit recognised as at March 31, 2025 is INR 2,501 [as at March 31, 2024: INR 3,935] Million. Such MAT credit has been recognised on the basis of the assessment made by the Company's management of the profitability, operational plans in the foreseeable future.

D Followings are the details of MAT credit available for set-off against future tax payment.

INR-Million

Financial Year	Financial year upto which carried forward	MAT credit		
		available as per income-tax return	recognised in the books	not recognised in the books
2014-15	2029-30	411	411	-
2015-16	2030-31	905	905	-
2016-17	2031-32	384	384	-
2017-18	2032-33	433	433	-
2018-19	2033-34	865	865	-
2019-20	2034-35	673	673	-
2020-21	2035-36	427	427	-
2024-25	Utilization	(1,597)	(1,597)	-
		2,501	2,501	-

	INR- Million	
	As at March 31	
	2025	2024
Note: 9-Assets for Current Tax [Net]:		
Advance payment of Tax [Net of provision for taxation of INR 3,557 {as at March 31, 2024 INR 4,230} Million]	**195**	385
Total	**195**	385
Note: 10-Inventories:		
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	**1,742**	1,375
Work-in-progress	**56**	218
Finished Goods	**1,567**	1,151
Stock-in-Trade	**705**	684
Packing Materials	**450**	379
Total	**4,520**	3,807
The above includes Goods in transit as under:		
Raw Materials	**53**	77
Packing Materials	**2**	37
Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories		
Net off of reversal of write-down	**(14)**	(33)

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 assets is INR 77 [as at March 31, 2024: INR 75] Million.

Note: 11-Investments [Current]:

	Nos. [*]	2025	2024
Investment in Mutual Funds [Quoted] [Valued at fair value through profit or loss]:			
ICICI Overnight Fund - Direct Plan - Growth	329,570.85 [708,707.38]	**454**	915
HDFC Overnight Fund - Direct Plan - Growth	48,405.51 [0]	**183**	-
ICICI Preliquid	657,642.19 [0]	**253**	-
HDFC Liquid	29,329.34 [0]	**149**	-
Investment in others [Quoted] [Valued at amortised cost]:			
Commercial Paper		**1,743**	-
Bonds		**770**	-
Total		**3,552**	915
A a Aggregate amount/ market value of quoted investments		**3,552**	915
B Explanations:			
a In "Nos. [*]" figures of previous year are same unless stated in [ ].			

Note: 12-Trade Receivables:

	2025	2024
Unsecured - Considered good	**3,465**	3,048
Less: Allowances for Credit Losses	**(87)**	(72)
Total	**3,378**	2,976

Note: 12-Trade Receivables - Continued:

Ageing of Trade Receivables :

Particulars	Not due	Outstanding from due date of payment: Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
	As at March 31, 2025						
Undisputed – considered good	2,746	620	19	17	5	58	**3,465**
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	**-**
Undisputed – credit impaired	-	-	-	-	-	-	**-**
Disputed – considered good	-	-	-	-	-	-	**-**
Disputed - have significant increase in credit risk	-	-	-	-	-	-	**-**
Disputed - credit impaired	-	-	-	-	-	-	**-**
Total	2,746	620	19	17	5	58	**3,465**
Less: Allowances for credit losses							**(87)**
Trade Receivables							**3,378**
	As at March 31, 2024						
Undisputed – considered good	2,718	250	15	6	7	52	3,048
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	2,718	250	15	6	7	52	3,048
Less: Allowances for credit losses							(72)
Trade Receivables							2,976

	INR- Million As at March 31 2025	2024
Note: 13-Cash and Bank Balances:		
A Cash and Cash Equivalents:		
Cash on Hand [as at March 31, 2025 INR 405,906/-]{as at March 31, 2024 INR 323,407/-}	**-**	-
Balances with Banks	**555**	242
Total	**555**	242
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:		
Fixed Deposits	**2,515**	6
Total	**2,515**	6
Note: 14-Loans:		
[Unsecured, Considered Good unless otherwise stated]		
Loans to related parties [*]	**14,084**	2,759
	14,084	2,759
[*] Details of Loans to Related Parties [Refer Note-39 for relationship] are as under:		
A Parent Company and Fellow Subsidiary company:		
a Zydus Lifesciences Limited [including Interest Receivable on loan INR 1,230 {Previous year: INR 990} Million]	**13,726**	990
b Zydus Wellness Limited [including Interest Receivable on loan INR 8 {Previous year: INR Nil} Million]	**358**	-
c Zydus Wellness Products Limited [including Interest Receivable on loan INR Nil {Previous year: INR 29} Million]	**-**	1,769
	14,084	2,759

Notes:

a All the above loans have been given for business purposes.

b All the above loans are interest bearing and repayable within a period of 1 year.

ZYDUS HEALTHCARE LIMITED

Notes to the Financial Statements

	INR- Million	
	As at March 31	
	2025	2024
Note: 15-Other Current Financial Assets:		
[Unsecured, Considered Good]		
Budgetary Support Income Receivable [*]	**95**	185
Interest Receivable	**41**	-
GST Refund Receivables	**3**	3
Total	**139**	188
[*] Pursuant to the Scheme of Budgetary Support under Goods and Services Tax [GST] Regime the Company is entitled to avail certain benefits for the goods manufactured in the state of Sikkim. The requisite conditions have been fulfilled by the Company and the Company is entitled to receive such income. Required claims have been filled with the regulatory authority within the stipulated timeline.		
Note: 16-Other Current Assets:		
[Unsecured, Considered Good]		
Balances with Statutory Authorities	**726**	668
Advances to Suppliers	**169**	158
Export Incentive Receivables	**2**	5
Prepaid Expenses	**51**	21
Advance CSR contribution	**150**	-
Others	**17**	21
Total	**1,115**	873
Note: 17-Equity Share Capital:		
Authorised:		
3,100,000 [as at March 31, 2024: 3,100,000] Equity Shares of INR 100/- each	**310**	310
2,000,000 [as at March 31, 2024: 2,000,000] Redeemable Preference Shares of INR 10/- each	**20**	20
132,600,000 [as at March 31, 2024: 132,600,000] 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares of INR 100/- each	**13,260**	13,260
300,000 [as at March 31, 2024: 300,000] 8% Non-Cumulative Redeemable Preference Shares of INR 100/- each	**30**	30
	13,620	13,620
Issued, Subscribed and Paid-up:		
Equity Share Capital [2,161,742 { as at March 31, 2024: 2,161,742} Equity Shares of INR 100 each], fully paid up	**217**	217
Total	**217**	217
A There is no change in the number of shares at the beginning and at the end of the year.		
Number of shares at the beginning and at the end of the year	**2,161,742**	2,161,742
B The Company has only one class of equity shares having a par value of INR 100/- 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 Share holders holding more than 5% of Shares:		
a Equity Shares:		
All Equity Shares are held by parent company, Zydus Lifesciences Limited and its nominees		
Number of Shares	**2,161,742**	2,161,742
% to total share holding	**100%**	100%
D Details of Equity Shares held by promoters/ promoters group at the end of the year March 31, 2025 and 2024:		

	Promoter's/ Promoter Group's Name	**No. of Shares**	**% of total shares**	**% change during the year**
1	Zydus Lifesciences Limited	2,161,742	100.00	-

ZYDUS HEALTHCARE LIMITED

Notes to the Financial Statements

	INR- Million	
	As at March 31	
	2025	2024
Note: 18-Other Equity:		
Capital Redemption Reserve: [*]		
Balance as per last Balance Sheet	12,365	12,365
Securities Premium Reserve [@]:		
Balance as per last Balance Sheet	5,541	5,541
Other Reserves:		
General Reserve: [**]		
Balance as per last Balance Sheet	16,921	16,921
Fair Value through Other Comprehensive Income [FVTOCI] Reserve: [#]		
Balance as per last Balance Sheet	(91)	17
Add/ [Less]: Credited/ [Debited] during the year	17	(108)
	(74)	(91)
Retained Earnings:		
Balance as per last Balance Sheet	19,187	15,798
Add: Profit for the year	10,621	8,517
	29,808	24,315
Less: Items of other Comprehensive income recognised directly in Retained Earnings:		
Re-measurement [losses] on defined benefit plans [net of tax]	(80)	(48)
Less: Dividends	(2,821)	(5,080)
Balance as at the end of the year	26,907	19,187
Total	61,660	53,923

[*] Capital Redemption Reserve is created for redemption of preference shares from General Reserve. The amount in Capital Redemption Reserve is equal to nominal amount of the preference shares redeemed. Capital Redemption Reserve may be applied by the Company in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

[@] Security Premium account can be used for issue of bonus share and buy back of the Company's share.

[**] 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.

	INR- Million	
	As at March 31	
	2025	2024
Note: 19-Other Financial Liabilities:		
Security Deposits	73	64
Total	73	64
Note: 20-Other Non-Current Liabilities:		
Deferred Capital Subsidy	5	10
Total	5	10

Pursuant to the North East Industrial and Investment Promotion Policy issued by the Government of India, the company has received "Capital Investment Subsidy" for its capital investment in industrial unit at Sikkim. The same has been deferred over the useful life of such capital assets.

ZYDUS HEALTHCARE LIMITED

Notes to the Financial Statements

	INR- Million	
	As at March 31	
	2025	2024
Note: 21-Provisions:		
Provision for Employee Benefits	946	800
Total	946	800

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 insurance companies 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.

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.

	INR- 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 defined benefit obligation	134	910	1,358	138	865	1,251
Transfer in /(out) obligation	-	(2)	(8)	-	(1)	(3)
Interest cost	10	59	91	9	58	87
Current service cost	15	98	133	8	82	119
Benefits paid	-	(111)	(155)	-	(100)	(140)
Actuarial losses/ (gain) on obligation	14	69	96	(21)	6	44
Closing defined benefit obligation	173	1,023	1,515	134	910	1,358
C Change in the fair value of plan assets:						
Opening fair value of plan assets	-	94	1,231	-	88	1,032
Transfer in /(out) obligation		-	2		-	-
Interest Income	-	5	87	-	3	75
Return of plan assets excluding		-			-	-
amounts included in interest income	-	1	(1)	-	2	(14)
Contributions by employer	-	-	260	-	1	278
Benefits paid	-	(1)	(155)	-	-	(140)
Closing fair value of plan assets	-	99	1,424	-	94	1,231
D Actual return on plan assets:						
Expected return on plan assets	-	5	87	-	3	75
Actuarial [losses]/ gains on plan assets	-	1	(1)	-	2	(14)
Actual return on plan assets	-	6	86	-	5	61
E Amount recognised in the balance sheet:						
Liabilities/ [Assets] at the end of the year	173	1,023	1,515	134	910	1,358
Fair value of plan assets at the end of the year	-	(99)	(1,424)	-	(94)	(1,231)
Difference	173	924	91	134	816	127
Unrecognised past service cost	-	-	-	-	-	-
Liabilities recognised in the Balance Sheet	173	924	91	134	816	127

Note: 21-Provisions- Non Current - Continued:

INR- Million
As at March 31

	2025 Medical Leave	2025 Leave Wages	2025 Gratuity	2024 Medical Leave	2024 Leave Wages	2024 Gratuity
F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	15	98	133	8	82	119
Interest cost on benefit obligation	10	59	91	9	58	87
Interest Income	-	(5)	(87)	-	(3)	(75)
Return of plan assets excluding amounts included in interest income	-	-	-	-	(1)	-
Net actuarial [gains]/ losses in the year	14	68	-	(21)	4	-
Amount Included in "Employee Benefit Expense"	39	220	137	(4)	140	131
Return of plan assets excluding amounts included in interest income	-	-	1	-	-	14
Net actuarial [gains]/ losses in the year	-	-	96	-	-	44
Amounts recognized in OCI	-	-	97	-	-	58
G Movement in net liabilities recognised in Balance Sheet:						
Opening net liabilities	134	816	127	138	777	219
Expenses charged to P & L	39	220	137	(4)	140	131
Employer's contribution	-	-	(260)	-	-	(278)
Amount recognised in OCI	-	-	97	-	-	58
Benefits Paid	-	(111)	-	-	(100)	-
Transfer in /(out) obligation	-	(2)	(8)	-	(1)	(3)
Transfer out plan assets	-	-	(2)	-	-	-
Liabilities/ [Assets] recognised in the Balance Sheet	173	923	91	134	816	127
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%
Annual increase in salary cost [#]	12% p.a. for next two years and 9% p.a thereafter			12% p.a. for next two years and 9% p.a thereafter		
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 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.

[#] 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.

[^] 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 as a % of total plan assets are:

	2025 Medical Leave	2025 Leave Wages	2025 Gratuity	2024 Medical Leave	2024 Leave Wages	2024 Gratuity
Insurance plan	0.00%	100.00%	98.00%	0.00%	100.00%	97.00%
Bank Balance	0.00%	0.00%	2.00%	0.00%	0.00%	3.00%

The expected contributions for Defined Benefit Plan for the next financial year will be INR 91 Million [Previous year: INR 127 Million].

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.67 years [as at March 31, 2024: 6.58 years].

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumptions is shown below:

Assumptions	**INR-Million**					
	Medical Leave		**Leave Wages**		**Gratuity**	
	As at March 31					
	2025	2024	**2025**	2024	**2025**	2024
Impact on obligation:						
Discount rate increase by 0.5%	(5)	(3)	(26)	(23)	(52)	(44)
Discount rate decrease by 0.5%	4	4	27	23	55	48
Annual salary cost increase by 0.5%	4	4	26	23	53	46
Annual salary cost decrease by 0.5%	(5)	(3)	(26)	(23)	(50)	(43)
Withdrawal rate increase by 10%	(11)	(8)	(19)	(17)	(17)	(11)
Withdrawal rate decrease by 10%	11	9	21	18	19	14

The following payments are expected contributions to the defined benefit plan and long term employment benefit in future years:

	INR-Million	
	As at March 31	
	2025	2024
Within the next 12 months [next annual reporting period]	440	387
Between 2 and 5 years	1,226	1,156
Between 6 and 10 years	979	878
Total expected payments	**2,645**	2,421

	INR-Million	
	As at March 31	
	2025	2024
Note: 22-Trade Payables:		
Dues to Micro and Small Enterprises [*]	104	187
Dues to other than Micro and Small Enterprises	4,508	4,445
Total	4,612	4,632
[*] Disclosure in respect of Micro and Small Enterprises:		
A Principal amount remaining unpaid to any supplier as at year end	104	187
B Interest due thereon	-	-
C Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	2	1
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		

Ageing of Trade Payables :

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]	94	10	-	-	-	104
Undisputed Others	3,961	472	33	11	31	4,508
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	4,055	482	33	11	31	4,612
	As at March 31, 2024					
Undisputed Micro and Small Enterprises [MSME]	187	-	-	-	-	187
Undisputed Others	3,599	797	15	4	30	4,445
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	3,786	797	15	4	30	4,632

	INR- Million	
	As at March 31	
	2025	2024
Note: 23-Other Financial Liabilities:		
Book Overdraft	-	170
Accrued Expenses	1,081	1,084
Payable for Capital Goods	69	37
Total	1,150	1,291
Note: 24-Other Current Liabilities:		
Advances from customers	96	94
Payable to Statutory Authorities	366	551
Others	48	55
Total	510	700
Note: 25-Provisions:		
Provision for Employee Benefits [Refer Note No.: 21]	241	277
Provision for claims for product expiry and return of goods [*]	2,311	1,991
Total	2,552	2,268
[*] Provision for claims for product expiry and return of goods:		
a Provision for product expiry claims 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	1,991	1,860
ii Additional provision made during the year	320	131
iii Carrying amount at the end of the year	2,311	1,991

ZYDUS HEALTHCARE LIMITED
Notes to the Financial Statements

	INR-Million	
	As at March 31	
	2025	2024
Note: 26-Current Tax Liabilities [Net]:		
Provision for Taxation [Net of advance payment of tax of INR 3,488 {as at March 31, 2024: INR 1,524} Million]	**335**	76
Total	**335**	76
Note: 27-Contingent Liabilities and Commitments [to the extent not provided for]:		
A Contingent Liabilities:		
a Claims against the Company not acknowledged as debts	**60**	64
- Net of advance of	**1**	1
b 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, Custom & Service Tax Authority	**725**	576
- Net of advance of	**45**	34
ii In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/ Courts	**874**	2,116
- Net of advance of	**13**	13
B Commitments:		
a Estimated amount of contracts remaining to be executed on capital account and not provided for	**408**	354
- Net of advance of	**73**	122

Subsequent to the balance sheet date on April 17, 2025, the Company has received an order under section 154 of Income Tax Act, 1961 wherein demand amounting to INR 1,290 Million has been reduced to INR 48 Million, which is adjusted in above table.

It is not probable that an outflow of resources embodying economic benefits will be required to settle the above obligations.

ZYDUS HEALTHCARE LIMITED

Notes to the Financial Statements

	INR- Million	
	Year ended March 31	
	2025	2024
Note: 28-Revenue from Operations:		
Sale of Products	**40,083**	38,290
Other Operating Revenues:		
Share of Profit from a Partnership Firm	**1**	1
Production Linked Incentive income [*]	**372**	277
Budgetary Support Income [Refer Note-15]	**339**	330
Government Subsidy [Refer Note-20]	**5**	35
Miscellaneous Income	**146**	62
	863	705
Total	**40,946**	38,995

[*] The Company is eligible for claiming benefits under the Production Linked Incentive [PLI] Scheme of the Government of India. Under the scheme, the Parent Company is filing claim with the Government of India for all the eligible group companies. Based on the claims submitted so far and the estimated claims to be submitted by the applicant, 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:

	2025	2024
Revenue as per contracted price	**40,376**	38,412
Less:		
Provision for Expiry and Sales Return	**(287)**	(117)
Discounts/ Price Reduction/ Rebates	**(6)**	(5)
Revenue from contract with customers	**40,083**	38,290

	2025	2024
Note: 29-Other Income:		
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	**2,899**	2,219
Dividend Income:		
From Investments designated as at FVOCI	**3**	3
Gain on Investments mandatorily measured at FVTPL	**163**	185
Other Non-operating Income	**28**	31
Total	**3,093**	2,438
Note: 30-Cost of Materials Consumed:		
Raw Materials:		
Stock at commencement	**1,375**	1,739
Add: Purchases	**4,598**	5,166
	5,973	6,905
Less: Stock at close	**1,742**	1,375
	4,231	5,530
Packing Materials consumed	**1,979**	2,171
Total	**6,210**	7,701
Note: 31-Purchases of Stock-in-Trade:		
Purchases of Stock-in-Trade	**2,457**	2,681
Total	**2,457**	2,681
Note: 32-Changes in Inventories:		
Stock at commencement:		
Work-in-progress	**218**	198
Finished Goods	**1,151**	1,210
Stock-in-Trade	**684**	693
	2,053	2,101
Less: Stock at close:		
Work-in-progress	**56**	218
Finished Goods	**1,567**	1,151
Stock-in-Trade	**705**	684
	2,328	2,053
Total	**(275)**	48

ZYDUS HEALTHCARE LIMITED

Notes to the Financial Statements

	INR- Million	
	Year ended March 31	
	2025	2024
Note: 33-Employee Benefits Expense:		
Salaries and wages	**7,328**	6,839
Contribution to provident and other funds [*]	**412**	341
Defined benefit plan expense	**137**	131
Staff welfare expenses	**89**	68
Total	**7,966**	7,379
Above expenses includes Research and Development related expenses as follows:		
Salaries and wages	**84**	76
Contribution to provident and other funds	**7**	6
Staff welfare expenses	**3**	3
Total	**94**	85
[*] The Company's contribution towards defined contribution plan	**398**	335
The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees, as specified under the law. The contributions are paid to the respective Regional Provident Fund Commissioner under the Pension Scheme.		
Note: 34-Finance Cost:		
Interest expense [*]	**1**	2
Bank commission & charges	**3**	4
Total	**4**	6
[*] The break up of interest expense into major heads is given below:		
On Lease	**1**	2
Note: 35-Other Expenses:		
Research Materials	**2**	3
Analytical Expenses	**18**	12
Consumption of Stores and spare parts	**213**	189
Power & fuel	**261**	275
Rent	**70**	66
Repairs to Buildings	**13**	35
Repairs to Plant and Machinery	**69**	62
Repairs to Others	**38**	38
Insurance	**127**	134
Rates and Taxes [excluding taxes on income]	**9**	9
Processing Charges	**1,013**	1,095
Commission to Directors	**2**	2
Traveling Expenses	**544**	406
Legal and Professional Fees [*]	**490**	468
Goods and Service Tax Expense	**277**	223
Commission on sales	**533**	469
Freight and forwarding on sales	**156**	87
Representative Allowances	**1,196**	1,081
Royalty Expenses	**154**	150
Other marketing expenses	**3,202**	2,473
Allowances of credit losses:		
Expected credit loss	**15**	4
	15	4
Allowances for Doubtful Advances:		
Allowances for credit impaired	**12**	3
	12	3
Directors' fees	**3**	2
Net Loss on disposal of Property, Plant and Equipment	**1**	4
Donations [#]	**6**	590
Miscellaneous Expenses [**]	**1,056**	929
Total	**9,480**	8,809
Above expenses includes Research related expenses as follows:		
Research Materials	**2**	3
Consumption of Stores and spare parts	**5**	5
Rent	**24**	23
Power & Fuel	**9**	9
Repairs to Buildings	**2**	1
Repairs to Plant and Machinery	**2**	2
Traveling Expenses	**2**	2
Miscellaneous Expenses [excluding Depreciation of INR 18 {Previous Year INR 18} Million]	**45**	56
Total	**91**	101

ZYDUS HEALTHCARE LIMITED
Notes to the Financial Statements

	INR- Million	
	Year ended March 31	
	2025	2024
Note: 35-Other Expenses-Continued:		
[*] Legal and Professional Fees include:		
Payment to the Statutory Auditors [excluding GST]:		
i - As Auditor	**5**	4
- For Other Services [INR Rs. 22,000 {Previous Year: INR 23,600}]	**-**	-
- Reimbursement of expenses [INR Rs. 100,798 {Previous Year: INR 94,035}]	**-**	-
- Total	**5**	4
ii Cost Auditor's Remuneration including fees for other services [excluding GST]	**1**	1
[**] Miscellaneous Expenses include:		
a Expenditure on Corporate Social Responsibility [CSR] Activities as required u/s 135 of the Companies Act, 2013	**147**	120
# Particulars with regard to CSR activities :		
1 Amount required to be spent during the year as per section 135(5)	**147**	120
2 Amount spent on CSR for construction/acquisition of asset	**297**	33
3 Amount of excess CSR spent of earlier years utilized for the financial year	**-**	87
4 Excess / (Shortfall) at the end of the financial year	**150**	-
5 Amount available for set off in succeeding financial year	**150**	-
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	**147**	120
9 Details of Related Parties:		
Contribution to Zydus Foundation	**297**	33
During the year, the Holding Company [ZLL] has entered into an arrangement with Zydus Family Trust [ZFT], a related party of ZLL, whereby Zydus Foundation would cease to be subsidiary of ZLL. 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.		
[#] Donations include political donations:		
a To Bhartiya Janta Party	**-**	250
b Through Electoral Bonds	**-**	80
Political donations of INR Nil [Previous Year INR 330 Million], which includes INR Nil [Previous Year INR 80 Million] contributed through electoral bonds made in accordance with Section 182 of the Companies Act, 2013. The Company has considered the Supreme Court judgement dated February 15, 2024, including the directions to the State Bank of India and the Election Commission of India on furnishing and public disclosure of information in respect of the electoral bonds. Political contributions via Electoral Bonds for the year ended March 31, 2024, were made by the Company prior to the Hon'ble Supreme Court judgement pronounced on February 15, 2024.		
Note: 36-Tax Expenses::		
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	**2,240**	1,609
Adjustments in respect of current income tax of previous years	**-**	5
	2,240	1,614
Deferred tax:		
Relating to origination and reversal of temporary differences [Refer Note-8]	**(369)**	(1,077)
Tax expense reported in the statement of profit and loss	**1,871**	537
OCI Section:		
Tax related to items recognised in OCI during in the year:		
Net loss/ (gain) on remeasurements of defined benefit plans	**(17)**	(10)
Tax (credited) to OCI	**(17)**	(10)
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
Profit before tax	**12,492**	9,054
Enacted Tax Rate (%) of the Country	**34.94%**	34.94%
Expected Tax Expenses	**4,365**	3,163
Adjustments for:		
Tax effect due to non-taxable income for tax purposes	**(3)**	(6)
Effect of unrecognized deferred tax assets/ liabilities	**128**	70
Effect of non-deductible expenses	**120**	232
Effect of additional deductions in taxable income under chapter VI of the Income Tax Act, 1961	**(2,580)**	(2,543)
Effect of MAT credit recognised	**(164)**	(403)
Others	**5**	24
Total	**(2,494)**	(2,626)
Tax Expenses as per Statement of Profit and Loss	**1,871**	537

ZYDUS HEALTHCARE LIMITED

Notes to the Financial Statements

Note: 37-Calculation of Earnings per Equity Share [EPS]:

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

A	Profit for the year	INR-Million	**10,621**	8,517
B	Profit attributable to Equity Share Holders	INR-Million	**10,621**	8,517
C	Basic and weighted average number of Equity shares outstanding during the year	Numbers	**2,161,742**	2,161,742
D	Weighted average number of Equity Shares outstanding during the year	Numbers	**2,161,742**	2,161,742
E	Nominal value of equity share	INR	**100**	100
F	Basic and Diluted EPS	INR	**4913.17**	3939.88

Note: 38-Segment Information:

The Chief Operating Decision Maker reviews the Company as a single segment, name by "Pharmaceuticals". There is no separate reportable segment as per Ind AS 108 - Operating Segments.

Note: 39-Related Party Transactions:

A Name of the Related Parties and Nature of the Related Party Relationship:

a Ultimate Parent Entity: Zydus Family Trust [Holding 74.96 % in the Parent Company]

b Parent Company: Zydus Lifesciences Limited

c Subsidiary Companies/ Concerns:
- German Remedies Pharmaceuticals Private Limited
- M/s. Recon Pharmaceuticals and Investments, a Partnership Firm

d Fellow Subsidiaries:

- Zydus Wellness Limited
- Zydus Wellness Products Limited
- Liva Nutritions Limited
- Liva Investment Limited [under liquidation]
- Zydus Animal Health and Investments Limited [ZAHIL]
- Dialforhealth Unity Limited
- Dialforhealth Greencross Limited
- Violio Healthcare Limited
- Zydus Pharmaceuticals Limited
- Biochem Pharmaceutical Private Limited
- Zydus Strategic Investments Limited
- Zydus VTEC Limited
- Zydus Foundation [Refer Note-35]
- LM Manufacturing India Private Limited [w.e.f. November 6, 2023]
- Zydus Medtech Private Limited [w.e.f. May 30, 2024]
- Naturell (India) Private Limited [w.e.f. December 2, 2024]
- Zydus International Private Limited [Ireland]
- Zydus Netherlands B.V. [the Netherlands]
- Zydus Lanka (Private) Limited [Sri Lanka]
- Zydus Nikkho Farmaceutica Ltda. [Brazil]
- Alidac Healthcare (Myanmar) Limited [Myanmar]
- Zydus Healthcare Philippines Inc. [Philippines]
- Zynext Ventures PTE. LTD. [Singapore]
- Zydus France, SAS [France]
- Laboratorios Combix S.L. [Spain]
- Etna Biotech S.R.L. [Italy]
- Zydus Pharmaceuticals (USA) Inc. [ZPUI] [USA]
- Nesher Pharmaceuticals (USA) LLC [USA] [Merged with ZPUI w.e.f. October 25, 2024]
- ZyVet Animal Health Inc. [USA]
- Zydus Healthcare (USA) LLC [USA]
- Sentynl Therapeutics Inc. [USA]
- Zydus Noveltech Inc. [USA] [dissolved on December 15, 2023]
- Hercon Pharmaceuticals LLC [USA] [dissolved on May 24, 2023]
- Viona Pharmaceuticals Inc. [USA]
- Zydus Therapeutics Inc. [USA]
- Zynext Ventures USA LLC [USA] [w.e.f. November 6, 2023]
- Zydus Healthcare S.A. (Pty) Ltd [South Africa]
- Alidac Pharmaceuticals SA Pty. Ltd.
- Script Management Services (Pty) Ltd [South Africa]
- Zydus Wellness [BD] Pvt Ltd [Bangladesh]
- Zydus Pharmaceuticals Mexico SA De C.V. [Mexico]
- Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
- Zydus Worldwide DMCC [UAE]
- Zydus Wellness International DMCC [UAE]
- Zydus Lifesciences Global FZE [UAE] [w.e.f. February 20, 2024]
- Zydus Pharmaceuticals (Canada) Inc. [Canada] [w.e.f. September 6, 2023]
- Zydus Pharmaceuticals UK Limited [UK]
- LM Manufacturing Limited [UK][w.e.f. November 6, 2023]
- Medsolutions (Europe) Limited [UK] [w.e.f. November 6, 2023]
- LiqMeds Worldwide Limited [UK] [w.e.f. November 6, 2023]
- LiqMeds Limited [UK] [w.e.f. November 6, 2023]
- LiqMeds Lifecare Limited [UK] [LiqMed] [w.e.f. November 6, 2023]
- Naturell Inc. [USA] [w.e.f. December 2, 2024]

e Joint Venture [JV] Companies of Parent Company and Fellow Subsidiary Companies:

- Zydus Hospira Oncology Private Limited
- Zydus Takeda Healthcare Private Limited
- Sterling Biotech Limited [w.e.f. August 29, 2024] [JV of ZAHIL]
- Bayer Zydus Pharma Private Limited [up to May 02, 2024]
- Oncosol Limited [JV of LiqMed] [w.e.f. November 6, 2023]

f Key Management Personnel:

Dr. Sharvil P. Patel	Chairman
Mr. Harish Sadana	Managing Director [up to February 10, 2025]
Mr. Vijay Bhalerao	Whole Time Director [w.e.f. February 11, 2025]
Mr. Nitin D. Parekh	Non-Executive Director
Mr. Deevyesh J. Radia	Independent Director
Dr. Bhavana S. Doshi	Independent Director [up to March 06, 2025]
Ms. Dharmistha N Raval	Independent Director [up to August 05, 2024]
Ms. Dharmistha N Raval	Additional Woman Director [Non-Executive] [w.e.f. March 24,2025]
Mr. Bhadresh K. Shah	Additional Independent Director [w.e.f. August 05, 2024]
Mr. Arvind Bothra	Executive Officer [Chief Financial Officer]
Mr. Sanjay Kumar Gupta	Executive Officer [Company Secretary]

g Enterprises significantly influenced by Directors and their relatives of company and its Parent Company with whom transactions have taken place:

- Cadmach Machinery Company Private Limited
- Mukesh M. Patel & Co.
- Oneiro Chemicals Private Limited
- Zydus Hospitals and Healthcare Research Private Limited
- Ramanbhai Foundation

h Post Employment Benefits Plans whom transactions have taken place:

- Zydus Healthcare Limited Employees Group Gratuity Scheme

ZYDUS HEALTHCARE LIMITED
Notes to the Financial Statements

Note: 39-Related Party Transactions-Continued:

B Transactions with Related Parties:

a Details relating to parties referred to in Note 39-A [b, c, d, e & g]

Value of the Transactions [INR-Million]

Nature of Transactions	Parent Company		Subsidiary Company		Fellow Subsidiary Companies		Joint Venture Companies of Parent Company		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31									
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Purchases:										
Goods:										
Zydus Lifesciences Limited	**758**	715	**-**	-	**-**	-	**-**	-	**-**	-
Zydus Wellness Products Limited	**-**	-	**-**	-	**92**	116	**-**	-	**-**	-
Others	**-**	-	**-**	-	**-**	-	**-**	-	**2**	1
Property Plant and Equipments:										
Zydus Lifesciences Limited	**4**	4	**-**	-	**-**	-	**-**	-	**-**	-
Reimbursement of Expenses paid:										
Zydus Lifesciences Limited	**24**	11	**-**	-	**-**	-	**-**	-	**-**	-
Services Received:										
Zydus Lifesciences Limited	**442**	540	**-**	-	**-**	-	**-**	-	**-**	-
German Remedies Pharmaceuticals Private Limited	**-**	-	**344**	395	**-**	-	**-**	-	**-**	-
Zydus Wellness Products Limited	**-**	-	**-**	-	**12**	22	**-**	-	**-**	-
Others	**-**	-	**-**	-	**-**	-	**-**	-	**2**	2
Sales:										
Goods:										
Zydus Lifesciences Limited	**228**	193	**-**	-	**-**	-	**-**	-	**-**	-
German Remedies Pharmaceuticals Private Limited	**-**	-	**110**	127	**-**	-	**-**	-	**-**	-
Bayer Zydus Pharma Private Limited	**-**	-	**-**	-	**-**	-	**17**	54	**-**	-
Zydus Hospitals and Healthcare Research Private Limited	**-**	-	**-**	-	**-**	-	**-**	-	**36**	27
Others	**-**	-	**-**	-	**-**	1	**-**	-	**1**	2
Total	**228**	193	**110**	127	**-**	1	**17**	54	**37**	29
Property Plant and Equipments:										
Zydus Wellness Products Limited	**-**	-	**-**	-	**-**	1	**-**	-	**-**	-
Services Provided:										
Zydus Lifesciences Limited	**64**	9	**-**	-	**-**	-	**-**	-	**-**	-
Zydus Wellness Products Limited	**-**	-	**-**	-	**16**	15	**-**	-	**-**	-
Finance:										
Dividend paid:										
Zydus Lifesciences Limited	**2,821**	5,080	**-**	-	**-**	-	**-**	-	**-**	-
Interest Income:										
Zydus Lifesciences Limited	**2,693**	1,845	**-**	-	**-**	-	**-**	-	**-**	-
Zydus Wellness Limited	**-**	-	**-**	-	**18**	-	**-**	-	**-**	-
Zydus Wellness Products Limited	**-**	-	**-**	-	**19**	149	**-**	-	**-**	-
Zydus VTEC Limited	**-**	-	**-**	-	**-**	62	**-**	-	**-**	-
Zydus Pharmaceuticals Limited	**-**	-	**-**	-	**-**	122	**-**	-	**-**	-
Total	**2,693**	1,845	**-**	-	**37**	333	**-**	-	**-**	-
Share of Profit from Firm										
Recon Pharmaceuticals and Investments	**-**	-	**1**	1	**-**	-	**-**	-	**-**	-
CSR Expense:										
Zydus Foundation	**-**	-	**-**	-	**147**	33	**-**	-	**-**	-

ZYDUS HEALTHCARE LIMITED
Notes to the Financial Statements

Note: 39-Related Party Transactions-Continued:

Nature of Transactions	Parent Company 2025	Parent Company 2024	Subsidiary Company 2025	Subsidiary Company 2024	Fellow Subsidiary Companies 2025	Fellow Subsidiary Companies 2024	Joint Venture Companies of Parent Company 2025	Joint Venture Companies of Parent Company 2024	Enterprises significantly influenced by Directors and/ or their relatives 2025	Enterprises significantly influenced by Directors and/ or their relatives 2024
	Value of the Transactions [INR-Million] – Year ended March 31									
Advance CSR Contribution:										
Zydus Foundation	-	-	-	-	150	-	-	-	-	-
Inter Corporate Loans Given:										
Zydus Lifesciences Limited	10,566	18,925	-	-	-	-	-	-	-	-
Zydus Wellness Limited	-	-	-	-	700	-	-	-	-	-
Zydus VTEC Limited	-	-	-	-	-	83	-	-	-	-
Zydus Pharmaceuticals Limited	-	-	-	-	-	728	-	-	-	-
Zydus Wellness Products Limited	-	-	-	-	300	590	-	-	-	-
Total	10,566	18,925	-	-	1,000	1,401	-	-	-	-
Inter Corporate Loans Repaid:										
Zydus Lifesciences Limited	2,282	221	-	-	-	-	-	-	-	-
Zydus Pharmaceuticals Limited	-	-	-	-	-	5,600	-	-	-	-
Zydus Wellness Limited	-	-	-	-	350	-	-	-	-	-
Zydus Wellness Products Limited	-	-	-	-	2,040	1,775	-	-	-	-
Zydus VTEC Limited	-	-	-	-	-	2,868	-	-	-	-
Total	2,282	221	-	-	2,390	10,243	-	-	-	-
Current Capital Account Withdrawal [Net]										
Recon Pharmaceuticals and Investments	-	-	901	548	-	-	-	-	-	-
	As at March 31									
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Outstanding:										
Payable:										
Zydus Lifesciences Limited	242	142	-	-	-	-	-	-	-	-
Zydus Wellness Products Limited	-	-	-	-	20	18	-	-	-	-
German Remedies Pharmaceuticals Private Limited	-	-	3	38	-	-	-	-	-	-
Others	-	-	-	-	1	-	-	-	-	-
	242	142	3	38	21	18	-	-	-	-
Receivable:										
Zydus Lifesciences Limited	42,726	34,099	-	-	-	-	-	-	-	-
Zydus Wellness Limited	-	-	-	-	358	-	-	-	-	-
Zydus Wellness Products Limited	-	-	-	-	-	1,769	-	-	-	-
Others	-	-	-	6	-	-	-	2	8	5

c Details relating to persons referred to in Note 39-A [f] above:

	INR- Million Year ended March 31 2025	2024
(i) Salaries and other employee benefits to Managing Director and other executive officers	105	123
(ii) Commission and Sitting Fees to Non Executive/ Independent Directors	5	4
(iii) Outstanding payable to above (i) and (ii)	5	5

d Details relating to persons referred to in Note 39-A [h] above:

	2025	2024
[i] Contributions	259	274

Note: 40-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.

B Financial assets and liabilities measured at fair value - recurring fair value measurements:

	INR- Million			
	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	1,039	-	-	1,039
Financial Investments at FVOCI:				
Quoted equity instruments	29	-	-	29
Unquoted Partnership firm	-	-	404	404
Total financial assets	**1,068**	**-**	**404**	**1,472**
Financial liabilities	-	-	-	-

	INR- Million			
	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	915	-	-	915
Financial Investments at FVOCI:				
Quoted equity instruments	19	-	-	19
Unquoted equity instruments	-	-	297	297
Total financial assets	**934**	**-**	**297**	**1,231**
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 [other than referred above], 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.

ZYDUS HEALTHCARE LIMITED

Notes to the Financial Statements

Note: 41-Financial Risk Management:-Continued:

A Financial instruments by category:

	INR- Million			
	As at March 31, 2025			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity instruments [other than investment in Equity of Subsidiaries]	-	29	-	29
Partnership Firm	-	404	-	404
Mutual funds	1,039	-	-	1,039
Commercial Paper	-	-	1,743	1,743
Bond	-	-	770	770
Non Current Loans	-	-	28,621	28,621
Other Non Current Financial Assets	-	-	68	68
Trade receivables	-	-	3,378	3,378
Current Loan	-	-	14,084	14,084
Cash and Cash Equivalents	-	-	3,070	3,070
Other Current Financial Assets	-	-	139	139
Total	**1,039**	**433**	**51,873**	**53,345**
Financial liabilities:				
Trade payables	-	-	4,612	4,612
Other Non Current Financial Liabilities	-	-	75	75
Other Current Financial Liabilities	-	-	1,154	1,154
Total	**-**	**-**	**5,841**	**5,841**

	INR- Million			
	As at March 31, 2024			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity instruments [other than investment in Equity of Subsidiaries]	-	19	-	19
Partnership Firm	-	297	-	297
Mutual funds	915	-	-	915
Non Current Loans	-	-	32,834	32,834
Other Non Current Financial Assets	-	-	79	79
Trade receivables	-	-	2,976	2,976
Current Loans	-	-	2,759	2,759
Cash and Cash Equivalents	-	-	248	248
Other Current Financial Assets	-	-	188	188
Total	**915**	**316**	**39,084**	**40,315**
Financial liabilities:				
Trade payables	-	-	4,632	4,632
Other Non Current Financial Liabilities	-	-	70	70
Other Current Financial Liabilities	-	-	1,298	1,298
Total	**-**	**-**	**6,000**	**6,000**

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 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:

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 on 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.

Note: 41-Financial Risk Management:-Continued:

v 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 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:

	INR- Million	
	As at March 31	
	2025	2024
Trade Receivables:		
Less than 180 days [including not due]	3,366	2,968
180 - 365 days	19	15
Above 365 days	80	65
Total	3,465	3,048

Movement in the expected credit loss allowance on trade receivables:

	2025	2024
Balance at the beginning of the year	72	69
Provision made during the year (net of recoveries)	15	3
Balance at the end of the year	87	72

Expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix consider 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.

Set out below is the information about the credit risk exposure of the Company's trade receivables using provision matrix:

Trade Receivables	INR-Million					
	As at March 31, 2025			As at March 31, 2024		
	ECL Rate	Receivable	ECL Value	ECL Rate	Receivable	ECL Value
Up to 360 days	0.1% - 29.6%	3,385	14	0.1% - 29.6%	2,983	12
Above 360 days	41.3% - 100%	80	73	47.3% - 100%	65	60
Total		**3,465**	**87**		**3,048**	**72**

Other than trade receivables and Loans, 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.

c **Maturities of financial liabilities:**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Note: 41-Financial Risk Management:-Continued:

	< 1 year	1-2 year	2-3 year	> 3 years	Total
	INR- Million				
	As at March 31, 2025				
Non-derivative Financial Liabilities:					
Other non current financial liabilities	-	2	-	73	**75**
Trade payables	4,612	-	-	-	**4,612**
Other Current Financial Liabilities	1,154	-	-	-	**1,154**
Total	**5,766**	**2**	**-**	**73**	**5,841**
	As at March 31, 2024				
Non-derivative Financial Liabilities:					
Other non current financial liabilities	-	3	1	66	**70**
Trade payables	4,632	-	-	-	**4,632**
Other Current Financial Liabilities	1,298	-	-	-	**1,298**
Total	**5,930**	**3**	**1**	**66**	**6,000**

c **Foreign currency risk:**

The Company is exposed to foreign exchange risk arising from foreign currency transactions.

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. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Company.

d **Interest rate risk:**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2025, the Company is not exposed to changes in market interest rates. The Company's investments in Fixed Deposits are at fixed interest rates.

e **Price risk:**

Exposure:

The Company's exposure to price risk arises from investments in equity and mutual fund 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 investments in equity securities and mutual fund, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity *:

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the year.

	Movement in Rate	2025 Impact on PAT	2025 Impact on Other Equity	2024 Impact on PAT	2024 Impact on Other Equity
		INR- Million			
Equity Instruments [Quoted]					
Increase	+10.00%	-	3	-	2
Decrease	-10.00%	-	(3)	-	(2)
Mutual Funds [Quoted]					
Increase	+2.00%	21	-	18	-
Decrease	-2.00%	(21)	-	(18)	-
Commercial Papers [Quoted]					
Increase	+2.00%	35	-	-	-
Decrease	-2.00%	(35)	-	-	-
Bonds [Quoted]					
Increase	+2.00%	15	-	-	-
Decrease	-2.00%	(15)	-	-	-

* Holding all other variables constant

Note: 42-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 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.

	INR- Million As at March 31 2025	INR- Million As at March 31 2024
Gross debts	-	-
Total equity	61,877	54,140
Net debt to equity ratio	NA	NA

Note: 43:

Pursuant to the Scheme of Amalgamation u/s. 391 to 394 of the Companies Act, 1956 ("the Scheme") for amalgamation of erstwhile Zydus Healthcare Limited (“ZHL”) with German Remedies Limited (“the Company”) both were wholly owned subsidiaries of Zydus Lifesciences Limited, as sanctioned by the Hon’ble High Court of Gujarat vide its order dated March 23, 2016 (Effective date), all the assets and liabilities of ZHL were transferred to and vested in the Company with effect from February 2, 2016 (Appointed date). As per the Scheme, the amalgamation had been accounted for under the “Purchase Method” as per earlier applicable Accounting Standard 14 - "Accounting for Amalgamations” (AS 14) and resulting goodwill of Rs. 41,149 Million [Refer Note-3(b)], is being amortized over a period of 10 years. The accounting treatment provided in the Scheme prevails over the requirements of Ind AS in accordance with the Ministry of Corporate Affairs notification for Ind AS dated February 16, 2015.

Note: 44:

Pursuant to the Scheme of Amalgamation u/s. 230 to 232 of the Companies Act, 2013 ("the Scheme-1") for amalgamation of Biochem Pharmaceutical Industries Limited (“Biochem”), with Zydus Healthcare Limited (“the Company”) both are wholly owned subsidiaries of Zydus Lifesciences Limited, as sanctioned by the Hon’ble National Company Law Tribunal, Ahmedabad Bench (“NCLT”) vide its order dated March 15, 2017 (Effective date), all the assets and liabilities of Biochem were transferred to and vested in the Company with effect from March 31, 2016 (Appointed date). As per the Scheme-1, the amalgamation had been accounted for under the “Purchase Method” as per earlier applicable Accounting Standard 14 - "Accounting for Amalgamations” (AS 14) and resulting goodwill of INR 4,859 Million [Refer Note-3(b)], is being amortized over a period of 10 years. The accounting treatment provided in the Scheme-1 prevails over the requirements of Ind AS in accordance with the Ministry of Corporate Affairs notification for Ind AS dated February 16, 2015.

Note: 45:

The Company is exempt from preparation of consolidated financial statements u/s 129(3) of Companies Act, 2013 as its parent company Zydus Lifesciences Limited is presenting consolidated financial statements which is available for review on its website.

Note: 46: Leases:

Lessee:

A Relating to statement of financial position:

1 The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all risk and rewards of ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right to use assets and lease liabilities for most leases.

Right of use assets are part of financial statement caption "Property plant and equipment". Depreciation and impairment is similar to measurement of owned assets. Interest is part of financial statement caption "Finance costs".

	INR-Million		
Right of use assets:	**Land**	**Building**	**Total**
Balance as at March 31, 2023 [Net]	**474**	**16**	**490**
Additions during the year	-	-	-
Depreciation charge for the year	5	6	11
Balance as at March 31, 2024 [Net]	**469**	**10**	**479**
Additions during the year		-	-
Depreciation charge for the year	5	6	11
Balance as at March 31, 2025 [Net]	**464**	**4**	**468**

2 Movement in lease liabilities:

	INR-Million	
	As at March 31	
	2025	2024
Lease liability at the beginning of the year	13	19
Interest on lease	1	2
Payment towards lease liabilities	(8)	(8)
Lease liability at end of the year	6	13
of which:		
Current portion	4	7
Non current portion	2	6

2.1 Maturity analysis of lease liabilities:

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at March 31, 2025 is as follows:

	INR-Million	
	As at March, 31	
Minimum lease payments due	**2025**	**2024**
Within 1 year	4	7
1-5 years	3	7
Above 5 years	-	-

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.

	INR-Million	
	As at March, 31	
Lease payments due to be received:	**2025**	**2024**
Within 1 year	34	34
1-5 years	-	34
Above 5 years	-	-
Total undiscounted lease payments	34	68

Note: 46: Leases:-Continued:

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.

Note: 47-Title deeds of property not held in the Company's own name:

	Holding Since	INR- Million Gross Carrying Value As at March 31, 2025 Leasehold/ Freehold Land	As at March 31, 2025 Freehold Building	As at March 31, 2024 Leasehold/ Freehold Land	As at March 31, 2024 Freehold Building
[A] Property, Plant and Equipment					
[a] Title deeds held in the name of					
1 Biochem Pharmaceuticals Industries Limited [*]	31-May-16	126	285	126	285
2 Zydus Lifesciences Limited [$]	1-Apr-16	1	1	1	1
3 German Remedies Limited (former name of the	1-Mar-18	32	-	32	-
company)[**]	1-Apr-17	18	-	18	-
4 Zydus Healthcare (partnership firm) [^]	2-Feb-16	289	-	289	-
[b] Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director		No	No	No	No

[*] Pursuant to a scheme of amalgamation, the properties and other assets and liabilities of Biochem Pharmaceuticals Industries Limited was transferred to and vested in the Company with effect from May 31, 2016. The Company is in the process of transferring the title of above properties in its name.

[$] Pursuant to a scheme of arrangement of Indian Human Formulations Undertaking ['IHFU'] u/s 230 to 232 of the Companies Act, 2013, as sanctioned by the Honourable National Company Law Tribunal, Ahmedabad Bench ['NCLT'], the properties and other assets and liabilities of Zydus Lifesciences Limited was transferred to and vested in the Company with effect from April 01, 2016. The Company is in the process of transferring the title of above properties in its name.

[**] The Company was earlier known as German Remedies Limited (GRL). The lease agreement is in the name of GRL. The Compnay is in process of updating its name in the lease agreement.

[^] The Lease agreement is in the name of Zydus Healthcare (Partnership Firm) which was converted into a Company (ZHL). Pursuant to the Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956 ZHL was amalgamated with German Remedies Limited [GRL] which was sanctioned by Hon'ble High Court of Gujarat with effect from February 2, 2016. Later on, GRL was renamed to ZHL. The Company is in the process of assigning the lease deeds in its name.

Note: 48-Analytical Ratios:

#	Ratio	Numerator	Denominator	FY 24-25	FY 23-24	% Change
1	Current Ratio [*]	Current Assets	Current Liabilities	**3.26**	1.31	148.5%
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	**NA**	NA	NA
3	Debt Service Coverage Ratio	Earnings available for debt service [@]	Finance costs + Repayment of debt	**1,606.38**	1,341.75	19.7%
4	Return on Equity Ratio	Net Profits after taxes Less Preference Dividend	Average Shareholder's Equity	**18.3%**	16.2%	12.9%
5	Inventory turnover ratio	Net Sales	Average Inventory	**9.63**	9.50	1.4%
6	Trade Receivables turnover ratio	Net Sales	Average Trade Receivables	**12.62**	13.53	-6.8%
7	Trade payables turnover ratio	Net Purchases	Average Trade Payables	**4.01**	4.10	-2.2%
8	Net capital turnover ratio [*]	Net Sales	Average Working Capital	**3.41**	8.74	-60.9%
9	Net profit ratio	Net Profits after taxes	Net Sales	**26.5%**	22.2%	19.1%
10	Return on Capital employed [$]	Earnings before interest and taxes	Average Capital Employed	**22.1%**	17.5%	26.2%
11	Return on investment					
a	Fixed Deposits [^]	Income from investments during the year	Time weighted average of investments	**7.7%**	5.9%	31.0%
b	Mutual Funds	Income from investments during the year	Time weighted average of investments	**6.7%**	6.7%	-0.7%
c	Bond	Income from investments during the year	Time weighted average of investments	**8.1%**	NA	NA
d	Commercial Papers	Income from investments during the year	Time weighted average of investments	**7.9%**	8.0%	-1.1%

[*] Mainly due to increase in current maturity of loan given, investment in mutual fund, commercial paper and bond.
[$] Mainly due to increase in Earning before Interest and tax [EBIT].
[^] Mainly due to market indices.
[@] Net profit after taxes + non cash operating expenses + finance costs - other income - deferred tax.

ZYDUS HEALTHCARE LIMITED

Notes to the Financial Statements

Note: 49:

[a] The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, 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 to or on behalf of the Ultimate Beneficiaries.

[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.

[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 wilful 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].

Note: 50:

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 loan has not been utilised by the company during the year. Quarterly statements of current assets filed by the Company with bank are in agreement with the books of accounts.

Note: 51: Interim Dividends:

The Board of Directors, at its meeting held on September 25, 2024, declared and paid 1st interim dividend of INR 925/-per equity share of INR 100/- each and in its meeting held on March 24, 2025, declared and paid 2nd interim dividend of INR 380/- per equity share of INR 100/- each.

Note: 52-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: 53:

Figures of previous reporting year have been regrouped/ reclassified to confirm 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

sd/-
Dr. Sharvil P. Patel
Chairman
DIN - 00131995

sd/-	sd/-	sd/-
Arvind Bothra	Sanjay D Gupta	Vijay Bhalerao
Chief Financial Officer	Company Secretary	Whole Time Director
		DIN - 10941925
		Ahmedabad
		May 16, 2025