



Dedicated To Life

January 3, 2024

Listing Department Code: 532321 BOMBAY STOCK EXCHANGE LIMITED P J Towers, Dalal Street, Fort, Mumbai-400 001	Listing Department Code: ZYDUSLIFE NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400 051
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Re.: **Intimation of Credit Ratings pursuant to the provisions of regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and SEBI Circular dated July 13, 2023 (“SEBI Circular”)**

Dear Sir / Madam,

Pursuant to the provisions of regulation 30 of the Listing Regulations, we would like to inform that CRISIL Ratings Limited vide their letters, all dated January 3, 2024 reviewed credit ratings of various instruments / funds facilities of the Company and assigned credit ratings, as per below details:

Sr. No.	Facility / Instrument	Amount (Rs. in Cr.)	Ratings
1.	Various Bank Facilities	4,724	Long term rating CRISIL AAA/Stable (upgraded from CRISIL AA+/Positive) Short term rating CRISIL A1+ (Reaffirmed)
2.	Commercial Papers (CPs) *	200	CRISIL A1+ (reaffirmed)
3.	Non-Convertible Debentures (NCDs) *	50	CRISIL AAA/Stable (upgraded from CRISIL AA+/Positive)
4.		75	CRISIL AAA/Stable (upgraded from CRISIL AA+/Positive)

* There are no outstanding CPs / NCDs as on date.

All the above credit rating letters along with rationale are enclosed herewith.

Please bring the aforesaid news to the notice of the members of the exchange and the investors at large.

Thanking you,

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

DHAVAL N. SONI
COMPANY SECRETARY

Encl.: As above

Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited)

Regd. Office : 'Zydus Corporate Park', Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad-382 481, Gujarat, India. | Phone : +91-79-71800000, +91-79-48040000
website : www.zyduslife.com | CIN : L24230GJ1995PLC025878



RL/CAHEALT/331864/BLR/0124/76420
January 03, 2024



Mr. Yatin Desai
General Manager - Corporate Finance
Zydus Lifesciences Limited
Zydus Corporate Park,
Scheme No. 63, Khoraj (Gandhinagar),
536, S.G. Hwy, Near Vaishnodevi Circle,
Ahmedabad - 382481
9725503969

Dear Mr. Yatin Desai,

Re: Review of CRISIL Ratings on the bank facilities of Zydus Lifesciences Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please find in the table below the ratings outstanding for the debt instruments/facilities of the company, and the rating actions by CRISIL Ratings on the ratings as on date.

Total Bank Loan Facilities Rated	Rs.4724 Crore
Long Term Rating	CRISIL AAA/Stable (Upgraded from 'CRISIL AA+/Positive')
Short Term Rating	CRISIL A1+ (Reaffirmed)

(Bank-wise details as per Annexure 1)

As per our Rating Agreement, CRISIL Ratings would disseminate the ratings, along with the outlook, through its publications and other media, and keep the ratings, along with the outlook, under surveillance over the life of the instrument/facility. CRISIL Ratings reserves the right to withdraw, or revise the ratings, along with the outlook, at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the ratings. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

In the event of the company not availing the proposed facilities within a period of 180 days from the date of this letter, a fresh letter of revalidation from CRISIL Ratings will be necessary.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Joanne Annie Gonsalves
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

CRISIL Ratings Limited

A subsidiary of CRISIL Limited, an S&P Global Company
Corporate Identity Number: U67100MH2019PLC326247

Annexure 1 - Bank-wise details of various facility classes (outstanding facilities)

S.No.	Bank Facility	Bank	Amount (Rs. in Crore)	Outstanding Rating
1	Bank Guarantee	DBS Bank Limited	50	CRISIL A1+
2	Bank Guarantee	Bank of Baroda	50	CRISIL A1+
3	Bank Guarantee	ICICI Bank Limited	50	CRISIL A1+
4	Bank Guarantee	MUFG Bank Limited	50	CRISIL A1+
5	Bank Guarantee	HDFC Bank Limited	50	CRISIL A1+
6	Cash Credit	JP Morgan Chase Bank N.A.	124.22	CRISIL AAA/Stable
7	Cash Credit	BNP Paribas Bank	8.29	CRISIL AAA/Stable
8	Cash Credit	Citibank N. A.	8.29	CRISIL AAA/Stable
9	Cash Credit	IDBI Bank Limited	50	CRISIL AAA/Stable
10	Cash Credit	Bank of America N.A.	1540.27	CRISIL AAA/Stable
11	Cash Credit	The Hongkong and Shanghai Banking Corporation Limited	41.41	CRISIL AAA/Stable
12	Cash Credit	ICICI Bank Limited	250	CRISIL AAA/Stable
13	Cash Credit	MUFG Bank Limited	400	CRISIL AAA/Stable
14	Cash Credit	Mizuho Bank Limited	165.62	CRISIL AAA/Stable
15	Cash Credit	Bank of Baroda	50	CRISIL AAA/Stable
16	Cash Credit	HDFC Bank Limited	550	CRISIL AAA/Stable
17	Cash Credit	YES Bank Limited	100	CRISIL AAA/Stable
18	Cash Credit	Standard Chartered Bank Limited	65	CRISIL AAA/Stable
19	Cash Credit	DBS Bank Limited	250	CRISIL AAA/Stable
20	Proposed Term Loan	--	870.9	CRISIL AAA/Stable
	Total		4724	

1-5. Interchangeable with letter of credit facility

6-11,14,17,18. Interchangeable with bank guarantee and letter of credit facility

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RL/CAHEALT/331864/CP/0124/76423
 January 03, 2024



Mr. Yatin Desai
 General Manager - Corporate Finance
Zydus Lifesciences Limited
 Zydus Corporate Park,
 Scheme No. 63, Khoraj (Gandhinagar),
 536, S.G. Hwy, Near Vaishnodevi Circle,
 Ahmedabad - 382481
 9725503969

Dear Mr. Yatin Desai,

Re: Review of CRISIL Rating on the Rs.200 Crore Commercial Paper of Zydus Lifesciences Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL A1+ (pronounced as CRISIL A one plus rating) rating on the captioned debt instrument. Securities with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk.

For the purpose of issuance of captioned commercial paper programme, this letter is valid for 30 calendar days from the date of the letter. In the event of your company not placing the above programme within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid (unless revised) throughout the life of the captioned Commercial Paper Programme with a maximum maturity of one year.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating through its publications and other media, and keep the rating under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL Ratings believes, may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

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 Associate Director - CRISIL Ratings

Nivedita Shibu
 Associate Director - CRISIL Ratings



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 January 03, 2024



Mr. Yatin Desai
 General Manager - Corporate Finance
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 Zydus Corporate Park,
 Scheme No. 63, Khoraj (Gandhinagar),
 536, S.G. Hwy, Near Vaishnodevi Circle,
 Ahmedabad - 382481
 9725503969

Dear Mr. Yatin Desai,

Re: Review of CRISIL Rating on the Rs.50 Crore Non Convertible Debentures of Zydus Lifesciences Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, upgraded its rating on the captioned debt instrument to CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) from CRISIL AA+/Positive (pronounced as CRISIL double A plus rating with Positive outlook). Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

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January 03, 2024



Mr. Yatin Desai
General Manager - Corporate Finance
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Zydus Corporate Park,
Scheme No. 63, Khoraj (Gandhinagar),
536, S.G. Hwy, Near Vaishnodevi Circle,
Ahmedabad - 382481
9725503969

Dear Mr. Yatin Desai,

Re: Review of CRISIL Rating on the Rs.75 Crore Non Convertible Debentures of Zydus Lifesciences Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, upgraded its rating on the captioned debt instrument to CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) from CRISIL AA+/Positive (pronounced as CRISIL double A plus rating with Positive outlook). Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

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Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



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Associate Director - CRISIL Ratings



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CRISIL Ratings Limited

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Rating Rationale

January 02, 2024 | Mumbai

Zydus Lifesciences Limited

Long-term rating upgraded to 'CRISIL AAA/Stable'; short-term rating reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.4724 Crore
Long Term Rating	CRISIL AAA/Stable (Upgraded from 'CRISIL AA+/Positive')
Short Term Rating	CRISIL A1+ (Reaffirmed)

Rs.75 Crore Non Convertible Debentures	CRISIL AAA/Stable (Upgraded from 'CRISIL AA+/Positive')
Rs.50 Crore Non Convertible Debentures	CRISIL AAA/Stable (Upgraded from 'CRISIL AA+/Positive')
Rs.200 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has upgraded its rating on the long-term bank facilities and debt programme of Zydus Lifesciences Ltd (Zydus Life; part of the Zydus group) to '**CRISIL AAA/Stable**' from 'CRISIL AA+/Positive' and reaffirmed its 'CRISIL A1+' rating on the short-term bank facilities and commercial paper programme.

The rating upgrade reflects CRISIL Ratings expectations of improvement in Zydus Life's business risk profile on the back of healthy revenue growth of 10-12% annually led by new product launches across markets and ramp up in sales of new chemical entities and biosimilars, while sustaining strong operating margin at 22-24%, leading to higher-than-expected cash accrual. The rating action also factors in the expectation of sustenance of Zydus Life's healthy financial risk profile, going forward, with low reliance on external borrowings leading to net debt to /Ebitda (earnings before interest, taxes, depreciation, and amortisation) ratio sustaining below 0.2-0.3 time over the medium term, after factoring in organic capital expenditure (capex) of Rs 900-1,000 crore and moderate inorganic growth plans.

Zydus Life's gross debt declined to Rs 150 crore as on September 30, 2023, from Rs 4,653 crore as on September 30, 2021, on the back of strong cash accrual and funds raised from the sale of the domestic animal healthcare business in the second quarter of fiscal 2022. Liquidity remained sizeable and the company reported net cash (cash and cash equivalents net of debt) of Rs 1,639 crore as on September 30, 2023.

Consolidated revenue grew 14% on-year in fiscal 2023 and 19% in the first half of fiscal 2024, led by high sales growth in the US that was driven by the launch of few complex limited-competition products. Emerging markets also witnessed high growth in sales even as revenue from the domestic market grew moderately at single digits (on a higher base which includes Covid-related revenue). Consolidated operating margin remained healthy at 22.4% in fiscal 2023 which improved to 27.9% in the first half of fiscal 2024 on the back of high sales of certain complex products, lower input costs and abating pricing pressure in the US generics market. This is despite sustained focus on research and development (R&D).

The ratings continue to reflect the established position of the Zydus group in the branded generics market in India and the expected benefits from growth in the wellness segment. The ratings also factor in the company's growing presence in international markets and strong financial risk profile. These strengths are partially offset by exposure to risks related to unfavourable regulatory changes, increasing competition and price erosions in the US generics market.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of Zydus Life and its 44 subsidiaries and stepdown subsidiaries (collectively referred to as the Zydus group) as all these entities operate in the pharmaceutical and related space and have significant operational linkages and common management. For three joint ventures (JVs), CRISIL Ratings follows a moderate integration approach; specifically factoring in the share of profit from JVs and of any incremental investment required by them. CRISIL Ratings has amortised intangible assets and goodwill consolidated on earlier acquisitions over five fiscals and on the acquisition of Heinz India Pvt Ltd (HIPL) over 10 years. Both profit after tax (PAT) and networth are adjusted to that extent.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Established market position in the domestic market:** The Zydus group is one of the top five players in the domestic formulations market, and domestic sales formed 28% of consolidated revenue in the first half of fiscal 2024. The group holds leading positions in progressive therapies of cardio-diabetology, respiratory, gynecology, oncology, nephrology and hepatology which together account for around half of domestic formulations revenues. It has strengthened its marketing team over the past few years, putting greater thrust on market strategies such as growth in the categories, integration of channel partners, supply chain and procurement to improve revenue and cost synergies. The group also has a healthy pipeline of new chemical entities and biosimilars which will be the growth drivers over the medium term.
- **Growing presence in international markets:** Business prospects are supported by growing presence in the US generics markets, which formed 46% of consolidated revenue in the first half of fiscal 2024. The Zydus group was the fifth-largest pharmaceutical company in the US generics market as per IQVIA MAT September 2023. It had 390 approvals (including 24 tentative approvals) and filed 448 abbreviated new drug application (ANDAs), as on September 30, 2023. Healthy pace of filings and approvals in the US, also reflected in the strong ANDA pipeline, will strengthen the US business. The group also has established presence in rest-of-the-world markets of Brazil, Mexico, Sri Lanka, South Africa, France, Spain and other countries where it reported healthy revenue growth despite geopolitical challenges and adverse macro environment. The rest-of-the world segment formed 10% of the consolidated revenue in the first half of fiscal 2024.
- **Strong financial risk profile:** Strong financial risk profile is reflected in healthy capital structure and debt protection metrics. Adjusted gearing improved to less than 0.1 time as on September 30, 2023, while interest coverage ratio improved to over 100 times in the first half of fiscal 2024 due to minimal outstanding debt. The company repaid its entire outstanding long-term debt and lowered its working capital utilisation using the proceeds from the sale of the domestic animal healthcare business in fiscal 2022 and healthy internal accrual. Outstanding gross debt was Rs 150 crore and healthy liquidity built-up has resulted in net cash position of Rs 1,639 crore as on September 30, 2023. The financial risk profile is expected to remain strong with net debt to Ebitda ratio sustaining at low levels over the medium term, after factoring in moderate capex and inorganic growth plans. Any sizeable debt-funded acquisition or investments could adversely impact debt metrics and liquidity and would remain a key monitorable.

Weaknesses

- **Exposure to risks related to unfavourable regulatory changes:** The Zydus group remains exposed to regulatory risks, both in the domestic and international markets, particularly the US. For instance, in October 2019, a warning letter was issued by the US FDA for the Moraiya plant, which impacted new product approvals. While the USFDA has cleared this warning letter in November 2022 and company has started getting new product approvals, any such regulatory issues related to the group's facilities in the future could impact revenue and profitability. The ongoing litigation by the anti-trust division of the US Department of Justice on industry generic players regarding price-collusion allegations remains a monitorable. Furthermore, any price-control measures of the government in the branded segment in the domestic formulations segment may weaken growth.
- **Exposure to competition and stretched working capital cycle:** The group faces intense competition in regulated markets, where innovator companies engage in aggressive defence tactics, and there are several cost-competitive Indian players present. Furthermore, generics players in regulated markets are affected by severe price erosion given the commoditised nature of products and government pressure to lower prices. The company's ability to keep launching new products mitigates this risk. Strong bargaining power of distributors in the US leads to large working capital requirement; gross current assets remained at around 196 days in fiscal 2023. However, ample liquidity and high financial flexibility should be sufficient to meet incremental working capital requirement.

Liquidity: Superior

Healthy cash and cash equivalents (including investments in mutual funds) of Rs 1,789 crore as on September 30, 2023, and strong annual cash generation support liquidity. Besides, the company has been sanctioned fund-based bank limit of about Rs 3,400 crore, which remains moderately utilised at less than 20% for the 12 months through September 2023, cushioning liquidity. Annual cash accrual of over Rs 3,250 crore will be more than sufficient to meet annual capex of Rs 900-1,000 crore and fund expected moderate inorganic growth plans. The company does not have any outstanding long-term debt which supports liquidity.

Environment, social and governance (ESG) profile

CRISIL Ratings believes that Zydus Life's ESG profile supports its already strong credit risk profile.

The pharmaceutical sector can have a significant impact on the environment on account of greenhouse gas emissions, water use and waste generation. The social impact of the sector is characterised by impact on the health and wellbeing of its consumers on account of its products and on employees and local community on account of its operations.

Key ESG highlights:

- Zydus Life has undertaken focused efforts towards reducing its greenhouse gas (GHG) emissions. Total GHG emissions have come down by 12% in fiscal 2023.
- The company has been recycling and co-processing its hazardous waste. Total waste generated by the company declined 8% in fiscal 2023 and recycling/co-processing of hazardous waste increased to 47% of the total waste generated from 44% in the previous year.
- The company has a track record of customer grievance redressal and resolution of sexual harassment cases. However, the gender diversity remained marginally lower than industry peers, with women employees forming just 7% of the total

workforce in fiscal 2023. The company is committed to increasing this to 12% by fiscal 2026.

- The governance structure is adequate, with half of the board comprising independent directors. The company also has in place an investor grievance redressal mechanism, whistleblower policy and extensive disclosures.

There is growing importance of ESG among investors and lenders. The commitment of the company to ESG principles will play a key role in enhancing stakeholder confidence and ensure ease of raising capital from markets where ESG compliance is a key factor.

Outlook: Stable

The group will maintain its diversified revenue profile across geographies and healthy cash accrual over the medium term. The financial risk profile is expected to remain strong with healthy capital structure and debt protection metrics.

Rating Sensitivity factors

Downward factors

- Sharp decline in operating margin due to increased competition, unfavourable regulatory developments or lower-than-expected sales across business segments.
- Higher-than-expected debt levels to fund large acquisitions, capex and sizeable stretch in working capital cycle resulting in net debt to Ebitda ratio rising above 0.5 time on steady-state basis.
- Any significant payout towards the ongoing anti-trust litigation or any other adverse regulatory developments impacting liquidity as well as debt protection metrics.

About the Company

Cadila Laboratories was founded in 1952 by Mr Raman Patel and Mr Indravadan Modi. Cadila Healthcare was incorporated in 1995 following the split of Cadila Laboratories, with Mr Modi and his family's share being moved to a new company. The division that was managed by Mr Raman Patel's son, Mr Pankaj Patel, was renamed Cadila Healthcare, which was again renamed Zydus Life in February 2022. The company is currently under the leadership of Dr. Sharvil Patel, a third-generation promoter. Zydus Life got listed on the Bombay Stock Exchange in 2000. Over the years, Zydus Life has grown to become one of the leading pharmaceutical companies in India. It also has a growing presence in the regulated markets, particularly the US, and is one of the top five players in the US generic market in terms of prescriptions. Other segments include emerging markets formulations, consumer wellness, animal healthcare and bulk drugs. Zydus group has 15 formulation manufacturing units, 1 animal health unit, 6 bulk drug manufacturing units, 3 biologics units, 5 vaccine units and 4 consumer product facilities in India. Additionally, it has one formulation manufacturing unit each in Myanmar and Brazil. Apart from this, the company has 7 R&D centres in Gujarat and Maharashtra and 1 R&D centre in Italy.

As on September 30, 2023, 74.98% stake in Zydus Life was held by the promoters, 6.86% by insurance companies, 5.94% by mutual funds, and the balance was held by the public and others.

For the half-year ended September 30, 2023, the company reported profit after tax (PAT) of Rs 1,888 crore (Rs 1,041 crore in the corresponding period of the previous fiscal) on operating income of Rs 9,508 crore (Rs 7,970 crore in the corresponding period of the previous fiscal).

Key Financial Indicators

Particulars	Unit	2023	2022
Operating income	Rs crore	17,237	15,110
Adjusted PAT*	Rs crore	1,546	3,945**
Adjusted PAT margin*	%	9.0	26.1
Adjusted debt/adjusted networkth*	Times	0.07	0.26
Interest coverage	Times	39.0	27.8

*Adjusted for goodwill and intangibles amortization

**includes income from discontinued operations

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level	Rating assigned with outlook
NA	Cash credit	NA	NA	NA	1500.00	NA	CRISIL AAA/Stable
NA	Cash credit^	NA	NA	NA	2103.10	NA	CRISIL AAA/Stable
NA	Bank guarantee*	NA	NA	NA	250.00	NA	CRISIL A1+
NA	Proposed term loan	NA	NA	NA	870.90	NA	CRISIL AAA/Stable
NA	Commercial paper	NA	NA	7-365 days	200.00	Simple	CRISIL A1+
NA	Non-convertible debentures @	NA	NA	NA	75.00	Simple	CRISIL AAA/Stable

NA	Non-convertible debentures @	NA	NA	NA	50.00	Simple	CRISIL AAA/Stable
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*Interchangeable with bank guarantee and letter of credit facility

*Interchangeable with letter of credit facility

@ Not placed

Annexure – List of entities consolidated

S. No	Name of entity	Extent of consolidation	Rationale of consolidation
1	Zydus Healthcare Ltd	100.00%	Subsidiary
2	German Remedies Pharmaceuticals Pvt Ltd	100.00%	Subsidiary
3	Zydus Wellness Ltd	57.59%	Subsidiary
4	Zydus Wellness Products Ltd	57.59%	Subsidiary
5	Liva Nutritions Ltd	57.59%	Subsidiary
6	Liva Investment Ltd	57.59%	Subsidiary
7	Zydus Animal Health and Investments Ltd	100.00%	Subsidiary
8	Dialforhealth Greencross Ltd	100.00%	Subsidiary
9	Dialforhealth Unity Ltd	55.00%	Subsidiary
10	Violio Healthcare Ltd	100.00%	Subsidiary
11	Zydus Pharmaceuticals Ltd	100.00%	Subsidiary
12	Biochem Pharmaceutical Pvt Ltd	100.00%	Subsidiary
13	Zydus Strategic Investments Ltd	100.00%	Subsidiary
14	Zydus VTEC Ltd	100.00%	Subsidiary
15	Zydus Lanka (Pvt) Ltd	100.00%	Subsidiary
16	Zydus International Pvt Ltd	100.00%	Subsidiary
17	Zydus Netherlands B.V.	100.00%	Subsidiary
18	Zydus France, SAS	100.00%	Subsidiary
19	Laboratorios Combix S.L.	100.00%	Subsidiary
20	Etna Biotech S.R.L.	100.00%	Subsidiary
21	Zydus Healthcare (USA) LLC	100.00%	Subsidiary
22	Zydus Pharmaceuticals (USA) Inc.	100.00%	Subsidiary
23	Nesher Pharmaceuticals (USA) LLC	100.00%	Subsidiary
24	ZyVet Animal Health Inc.	100.00%	Subsidiary
25	Sentynl Therapeutics, Inc	100.00%	Subsidiary
26	Zydus Noveltech Inc., USA	100.00%	Subsidiary
27	Hercon Pharmaceuticals, LLC	100.00%	Subsidiary
28	Viona Pharmaceuticals Inc.	100.00%	Subsidiary
29	Zydus Therapeutics Inc.	100.00%	Subsidiary
30	Zydus Pharmaceuticals UK Ltd	100.00%	Subsidiary
31	Zynext Ventures Pte Ltd	100.00%	Subsidiary
32	Zynext Ventures USA LLC	100.00%	Subsidiary
33	Zydus Worldwide DMCC	100.00%	Subsidiary
34	Zydus Wellness [BD] Pvt Ltd	57.59%	Subsidiary
35	Zydus Wellness International DMCC	57.59%	Subsidiary
36	Zydus Nikkho Farmaceutica Ltda.	100.00%	Subsidiary
37	Zydus Healthcare SA (Pty) Ltd.	100.00%	Subsidiary
38	Alidac Healthcare SA (Pty) Ltd (erstwhile Simayla Pharmaceuticals (Pty) Ltd)	100.00%	Subsidiary
39	Script Management Services (Pty) Ltd.	100.00%	Subsidiary
40	Zydus Healthcare Philippines Inc.	100.00%	Subsidiary
41	Alidac Healthcare (Myanmar) Ltd	100.00%	Subsidiary
42	Zydus Pharmaceuticals Mexico SA De CV	100.00%	Subsidiary
43	Zydus Pharmaceuticals Mexico Service Company SA De CV	100.00%	Subsidiary
44	M/s. Recon Pharmaceuticals and Investments	100.00%	Partnership
45	Zydus Takeda Healthcare Pvt Ltd	50.00%	JV (moderately consolidated)
46	Zydus Hospira Oncology Pvt Ltd	50.00%	JV (moderately consolidated)
47	Bayer Zydus Pharma Pvt Ltd	24.999998%	JV (moderately consolidated)

Annexure - Rating History for last 3 Years

Instrument	Current			2024 (History)		2023		2022		2021		Start of 2021
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	4474.0	CRISIL AAA/Stable		--	09-01-23	CRISIL AA+/Positive	20-01-22	CRISIL AA+/Positive	30-11-21	CRISIL AA+/Positive	CRISIL AA+/Stable
			--		--		--		--	20-05-21	CRISIL AA+/Stable	--
Non-Fund Based Facilities	ST	250.0	CRISIL A1+		--	09-01-23	CRISIL A1+	20-01-22	CRISIL A1+	30-11-21	CRISIL A1+	CRISIL A1+
			--		--		--		--	20-05-21	CRISIL A1+	--
Commercial Paper	ST	200.0	CRISIL A1+		--	09-01-23	CRISIL A1+	20-01-22	CRISIL A1+	30-11-21	CRISIL A1+	CRISIL A1+
			--		--		--		--	20-05-21	CRISIL A1+	--
Non Convertible Debentures	LT	125.0	CRISIL AAA/Stable		--	09-01-23	CRISIL AA+/Positive	20-01-22	CRISIL AA+/Positive	30-11-21	CRISIL AA+/Positive	CRISIL AA+/Stable
			--		--		--		--	20-05-21	CRISIL AA+/Stable	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee&	50	DBS Bank Limited	CRISIL A1+
Bank Guarantee&	50	Bank of Baroda	CRISIL A1+
Bank Guarantee&	50	ICICI Bank Limited	CRISIL A1+
Bank Guarantee&	50	MUFG Bank Limited	CRISIL A1+
Bank Guarantee&	50	HDFC Bank Limited	CRISIL A1+
Cash Credit@	124.22	JP Morgan Chase Bank N.A.	CRISIL AAA/Stable
Cash Credit@	8.29	BNP Paribas Bank	CRISIL AAA/Stable
Cash Credit@	8.29	Citibank N. A.	CRISIL AAA/Stable
Cash Credit@	50	IDBI Bank Limited	CRISIL AAA/Stable
Cash Credit@	1540.27	Bank of America N.A.	CRISIL AAA/Stable
Cash Credit@	41.41	The Hongkong and Shanghai Banking Corporation Limited	CRISIL AAA/Stable
Cash Credit	250	ICICI Bank Limited	CRISIL AAA/Stable
Cash Credit	400	MUFG Bank Limited	CRISIL AAA/Stable
Cash Credit@	165.62	Mizuho Bank Limited	CRISIL AAA/Stable
Cash Credit	50	Bank of Baroda	CRISIL AAA/Stable
Cash Credit	550	HDFC Bank Limited	CRISIL AAA/Stable
Cash Credit@	100	YES Bank Limited	CRISIL AAA/Stable
Cash Credit@	65	Standard Chartered Bank Limited	CRISIL AAA/Stable
Cash Credit	250	DBS Bank Limited	CRISIL AAA/Stable
Proposed Term Loan	870.9	Not Applicable	CRISIL AAA/Stable

& - Interchangeable with letter of credit facility

@ - Interchangeable with bank guarantee and letter of credit facility

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
Rating criteria for manufacturing and service sector companies

CRISILs Bank Loan Ratings - process, scale and default recognition

Rating Criteria for the Pharmaceutical Industry

CRISILs Criteria for rating short term debt

CRISILs Criteria for Consolidation

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