Dedicated To Life

July 11, 2024

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

Re: **Annual General Meeting and Annual Report for the Financial Year ended on March 31, 2024**

Dear Sir / Madam,

Pursuant to regulation 34(1) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of Twenty Ninth Annual General Meeting ("**AGM**") for the Financial Year ended on March 31, 2024 which is sent to the members through electronic means as per the circulars from Ministry of Corporate Affairs and The Securities and Exchange Board of India.

Important details with regard to AGM are as under:

Sr. No.	Particulars	Details
1.	AGM details	**Day:** Friday **Date:** August 9, 2024 **Time:** 10:00 a.m. (IST) **Through Video Conference / Other Audio Visual Means**
2.	Cut-off date to determine list of members entitled to receive Notice of AGM and Annual Report	Friday, July 5, 2024
3.	Cut-off date to determine list of members entitled to receive final dividend	Friday, July 26, 2024
4.	Dividend Payment Date	On or after Tuesday, August 13, 2024
5.	Cut-off date to determine list of members entitled for e-voting	Friday, August 2, 2024
6.	Remote e-voting start time, day and date	9.00 a.m. (IST), Tuesday, August 6, 2024
7.	Remote e-voting end time, day and date	5.00 p.m. (IST), Thursday, August 8, 2024

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

https://www.zyduslife.com/investor/admin/uploads/14/2/2023-2024.pdf

Please receive the same in order.

Thanking you,

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

DHAVAL NARENDRA SONI

Digitally signed by DHAVAL NARENDRA SONI
Date: 2024.07.11 17:33:18 +05'30'

DHAVAL N. SONI
COMPANY SECRETARY

Encl.: As above

Dedicated To Life

LEAP FOR LIFE

ZYDUS LIFESCIENCES LIMITED

Annual Report
2023 - 2024

Corporate Information

FOUNDER
Late Mr. Ramanbhai
B. Patel

BOARD OF DIRECTORS

Pankaj R. Patel
Chairman

Nitin R. Desai *
Independent Director

Bhadresh K. Shah
Independent Director

Dharmishtaben N. Raval *
Independent Woman Director

Apurva S. Diwanji
Independent Director

Shelina P. Parikh **
Independent Woman Director

Akhil A. Monappa
Independent Director

Upasana K. Konidela
Independent Woman Director

Mukesh M. Patel
Non-Executive Director

Dr. Sharvil P. Patel
Managing Director

Ganesh N. Nayak
Executive Director

KEY MANAGERIAL PERSONNEL (OTHER THAN DIRECTORS)

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

KEY CONTACTS

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

Dhaval N. Soni
dhavalsoni@zyduslife.com

* Shall cease to be the Director as well as Independent Director after conclusion of ensuing 29th Annual General Meeting

* Appointed w.e.f. May 17, 2014, subject to approval of shareholders at ensuing 29th Annual General Meeting

COMMITTEES OF THE BOARD AND THEIR CONSTITUTION:

AUDIT COMMITTEE
Nitin R. Desai *
Akhil A. Monappa, Chairperson **
Bhadresh K. Shah
Dharmishtaben N. Raval *
Apurva S. Diwanji
Shelina P. Parikh ***

* ceased as members w.e.f. May 17, 2024
** inducted as a member and appointed as Chairperson w.e.f. May 17, 2024
*** inducted as a member w.e.f. May 17, 2024

NOMINATION AND REMUNERATION COMMITTEE
Nitin R. Desai *
Bhadresh K. Shah, Chairperson **
Dharmishtaben N. Raval *
Apurva S. Diwanji
Akhil A. Monappa ***
Upasana K. Konidela

* ceased as members w.e.f. May 17, 2024
** appointed as a Chairperson w.e.f. May 17, 2024
*** inducted as a member w.e.f. May 17, 2024

CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENT SOCIAL AND GOVERNANCE COMMITTEE
Pankaj R. Patel
Dr. Sharvil P. Patel
Dharmishtaben N. Raval *
Shelina Parikh **
Upasana K. Konidela

* ceased to be a member w.e.f. May 17, 2024
** inducted as a member w.e.f. May 17, 2024

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

STAKEHOLDERS' / INVESTORS' RELATIONSHIP COMMITTEE
Mukesh M. Patel, Chairperson
Pankaj R. Patel
Dr. Sharvil P. Patel
Bhadresh K. Shah

SHARE TRANSFER COMMITTEE
Pankaj R. Patel, Chairperson
Dr. Sharvil P. Patel
Mukesh M. Patel

FINANCE AND ADMINISTRATION COMMITTEE
Pankaj R. Patel
Dr. Sharvil P. Patel
Mukesh M. Patel

STATUTORY AUDITORS
Deloitte Haskins & Sells LLP
Chartered Accountants
Ahmedabad

SECRETARIAL AUDITORS
Manoj Hurkat & Associates
Practicing Company Secretaries
Ahmedabad

COST AUDITORS
Dalwadi & Associates
Cost Accountants
Ahmedabad

JOINT INTERNAL AUDITORS
Ernst & Young and
PricewaterhouseCoopers
Chartered Accountants
Mumbai

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

REGISTRAR AND SHARE TRANSFER AGENTS
Link Intime India Private Limited
506-508, Amarnath Business Centre-1
(ABC-1), Besides Gala Business Centre,
Off. C G Road, Ellisbridge,
Ahmedabad-380006

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

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

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

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

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

MANUFACTURING FACILITIES

Human Formulations

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

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

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

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

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

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

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

Active Pharmaceutical Ingredients (API)

291, GIDC Industrial Estate,
Ankleshwar-393002

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

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

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

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

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

Biological Products and Vaccines

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

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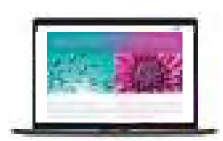
Forward-looking statement:

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

Scan QR code to see this report online



You can also find this report online: https://zyduslife.com/zyduslife/

With the **patient at the core**,
each day at Zydus, is about meeting
unmet healthcare needs.

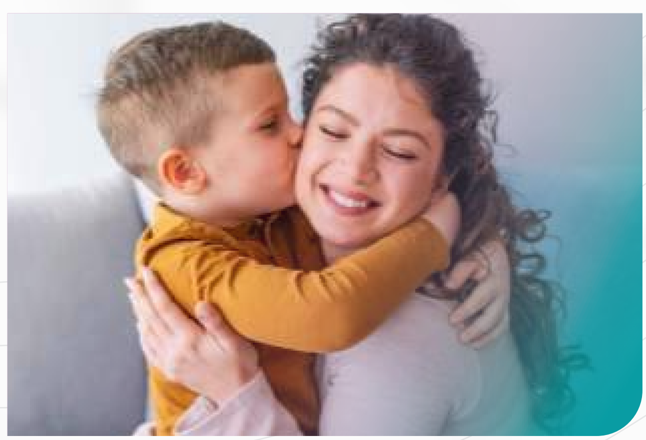
With the patient at the core, our discoveries
become **life-transforming solutions,**
improving the quality of life.

With the patient at the core, we offer
quality healthcare products, empowering
them to discover **wellness and good health.**

With the patient at the core,
we are **passionate and decisive,**
bringing in access and affordability.

With the patient at the core,
we are adaptable and collaborative,
bringing **new technologies** to the fore.

With the patient at the core, we catalyse
science, health and innovation, this is our
LEAP FOR LIFE.



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

We are inspired in our journey of nearly three decades by our Founder Chairman, **Shri Ramanbhai B. Patel**, who had set out to bridge unmet healthcare needs and offer hope to provide patients with innovative therapies.

Zydus today continues to evolve and transform itself as a global enterprise unlocking new possibilities in lifesciences and bringing path-breaking discoveries to life and offering quality healthcare solutions that creates meaningful impact.



It's Science & Innovation that enables our LEAP FOR LIFE

Health is a priority that all of us share. People are more aware of their health now more than ever before and live their life uninterrupted due to health concerns. This is what drives us as we look at diagnostics, preventives and therapeutics.

We endeavour to help people discover the joy of good health and empower them with the freedom to live healthier and more fulfilled lives.

This is our purpose to exist. We aim to achieve this through innovation, which is what uniquely positions us at the confluence of empathy and nurturance.

>US$ 2 bn

global revenues

37

manufacturing facilities

5th largest

generic company in the US in terms of prescriptions

~50%

revenues from branded business (India, Wellness and EM)

Amongst Top 3 in ~60%

product families marketed in the US

7

brands among top 300 in India

Vision

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

Mission

To unlock new possibilities in lifesciences through quality healthcare solutions that impact lives.

Purpose

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

Chairman's Message

> Innovation is the very edifice on which our organisation is founded and what differentiates us. By investing continuously in R&D, we have been able to create a pipeline of products that comprise both best-in-class and potential first-to-the-market products that can bridge unmet healthcare needs.

Dear Shareholders,

It gives me immense pleasure to present our annual report for the fiscal year 2023-24. As an innovation-led lifesciences company we continue to make strides in bridging unmet healthcare needs of patients globally.

Leap for Life inspires us

During the year gone by, we continued to align our strategies and explore ways by which we could leverage our legacy in science, health and innovation to enable the Leap for Life. This is at the heart of all that we do from unlocking new possibilities through innovation to adopting newer technologies and sustainable practices, prioritising execution excellence, providing solutions optimised for access and delivery, collaborating to expand reach, bringing in inclusiveness and creating meaningful impact in the communities around us. At every step, the Leap for Life is about putting patients and people first.

Leap for Growth

As we reflect upon our business performance in 2023-24, I would like to begin by expressing my appreciation to the entire team for achieving the highest ever operating profit and margins. It has been a year of all-round growth, both financially and with respect to the value generated for patients, customers and shareholders. Overall, we delivered a healthy double-digit growth alongwith improved profitability.

All our business verticals contributed significantly to the Company's growth journey. Across various geographies, we continued to support the medical fraternity with quality healthcare solutions and a global portfolio of more than 5,000 products.

Across various geographies, we continued to support the medical fraternity with quality healthcare solutions and a global portfolio of more than 5,000 products.

Our branded formulations business in India outpaced the market to register double-digit growth aided by healthy volume growth and new product launches. In the US, we recorded an important milestone of scaling US$ 1 billion for the first time. Importantly, the base business achieved sequential growth every quarter through the year on the back of volume expansion and new product introductions. International markets business, which comprises Emerging markets and Europe, also delivered double digit growth with all key markets contributing to growth.

We have been consistent in our overall mission to empower patients. When we speak of patient-centricity, enabling access and making drugs affordable to a large patient population, is in line with this mission. During the year, we out licensed two of our key innovations Saroglitazar Mg and Desidustat to large pharma peers in India to co-market and thereby enable wider access and affordable reach to expand the pool of patients benefitting from the novel solutions. When we speak of the Leap for Life, bridging the gaps and making life-saving therapies within reach of patients who are in dire need of them is paramount. Over the last decade, we were able to make a positive impact in the lives of more than 1 million cancer patients in India through our focus on access and affordability. We are now the largest Indian oncology player in the domestic market.

Innovation that enables the Leap for Life

Innovation is the very edifice on which our organisation is founded and what differentiates us. By investing continuously in R&D, we have been able to create a pipeline of products that comprise both best-in-class and potential first-to-the-market products that can bridge unmet healthcare needs. Our researchers have worked tirelessly to achieve medical breakthroughs in liver diseases, kidney diseases, cancer, cardio-metabolic and infectious diseases. We have embraced innovation with new modalities and technologies to improve the lives of patients through pathbreaking discoveries.

Our two decades of intense research on PPAR mechanism led to the successful development of Saroglitazar Mg which has helped several patients in India living with the chronic liver condition, Metabolic dysfunction-Associated Steato Hepatitis (MASH), manage their disease. Saroglitazar Mg has received orphan drug designation from the USFDA and EMA and is currently under Phase 2/3 clinical trials studied for the US market for Primary Biliary Cholangitis (PBC) indication. Our research in the HIF-PH inhibitors led to the discovery and development of Desidustat which is the first approval in India for the treatment of the chronic kidney disease induced anaemia. We have set out the path to offer medicines for the most serious and challenging diseases including rare and orphan diseases like Molybdenum Cofactor Deficiency (MOCD) Type A, Menkes Disease and Progeria. With our pioneering research programmes, we are developing potential drugs for treating infectious diseases as well as rare diseases including Amyotrophic Lateral Sclerosis (ALS) and Cryopyrin Associated Periodic Syndrome (CAPS). Enabling innovation at Zydus through several biosimilars, antibody-drug conjugates, and vaccines have also helped improve the quality of life of patients.

Leap ahead with new technologies

In pursuit of manufacturing excellence, Zydus is adopting new technologies for enhanced quality and better throughput. For critical formulations, we have successfully taken trials on the continuous blender and continuous coater in one of our plants. To enhance the speed and accuracy in operations, we have secured regulatory approvals for real time testing of blend uniformity by Near-infrared (NIR). We are also exploring NIR for blend assay and granules Loss on Drying (LOD) which could eliminate the inaccuracies of manual sampling. As a part of our overall digitalization process, we are working on developing a platform for real time batch monitoring using data analytics for better process controls.

Leveraging technology for enhanced productivity, we have successfully scaled up batch sizes at a mega scale of around six tons in our state-of-the-art facility at Matoda which has an innovative vertical flow design with integrated granulation and can cater volumes up to 460 million pills per month in just 30 batches.

The Leap to be future ready

We are on a path to foster digital transformation throughout the organisation's operations. Throughout the year, we made progress on this front, investigating fresh strategies to increase efficiency and agility. Our digital transformation plan has three components: increasing orgaisational agility for improved commercial outcomes, reinforcing customer-centricity, and strengthening ourselves in terms of enhanced cybersecurity.

As a part of this approach, we are overhauling our IT infrastructure, which serves as the foundation for all of our existing systems and procedures. Going forward, we will be exploring investments in cloud infrastructure and rearchitect our applications to be cloud ready. We are also undertaking several initiatives to be more tech-enabled and bring more agility in our operations, support the data-driven culture that we already have in the organisation, bring in greater precision and productivity, improve upon the customer connect and shape better experiences. We will continue to make headway by leveraging technology and tracking megatrends that will shape the future and assist us in our Leap for Life.

Committed to Sustainability

I am delighted to share our progress and commitment towards Environmental, Social, and Governance (ESG) initiatives, which are integral to our Company's mission and values. This year we have made significant strides in reducing our carbon footprint, enhancing energy efficiency and promoting sustainable practices across a major part of our operations. We intend to become carbon neutral in our India operations by fiscal year 2034-35, which contributes to more than half of our total revenues. We are also addressing the concerns of water scarcity at our sites by achieving net water neutrality status. Committing ourselves to environment conservation, we have made investments in renewable energy and innovative technologies for reducing waste and conserving our resources.

> We intend to become carbon neutral in our India operations by fiscal year 2034-35

We have always believed in empowering people and helping them lead healthier and happier lives. We are fostering a diverse, inclusive and equitable workplace where every employee feels valued and empowered. Zydus Shrishti, our CSR programme, focuses on the areas of health, education, research and community outreach programmes. Our flagship programme on health and education continues at Dahod, in the rural interiors of Gujarat. Zydus Foundation which has set up the Zydus Medical College and Hospital at Dahod in public private partnership with the Government of Gujarat, has touched the lives of 1.9 million patients since 2017, offering medical treatment free of cost. Supporting grassroot innovation, supporting specially abled children and women through livelihood programmes and afforestation drive to protect the environment, all form an important part of our CSR initiatives.

Our Board is committed to continuous improvement in governance practices, risk management and stakeholder engagement. We have consistently improved our scores in the ratings published by the global ESG rating agencies like S&P Global. Sustainalytics, another global agency has also improved the Company's ESG risk exposure over the last three years.

People who are powering our Leap

As a future focused organisation, Zydus is well-positioned to further consolidate its position as an innovation-led company and grow into the next decade. The milestones achieved so far would not have been possible without the committed efforts of more than 26,000 people worldwide. I want to thank each one of them for their contributions that have helped the Company stay on the path of growth and progress.

In the years ahead, we will continue to seize new emerging opportunities, leverage new technologies and expand outside our core areas. As we explore new dimensions in our journey as a global lifesciences company, I remain grateful to all of you for your unwavering trust in our Company.

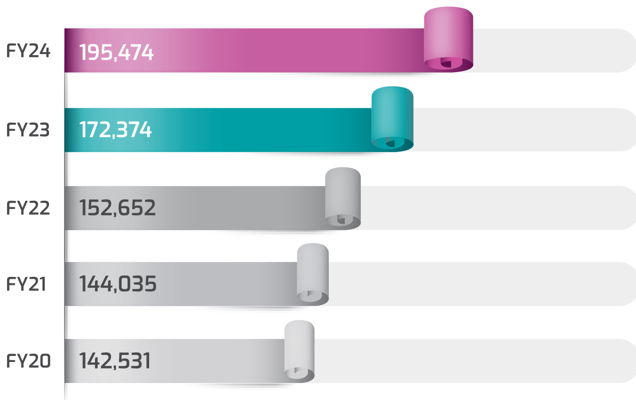
Pankaj R. Patel
Chairman

Financial Scorecard

Performance driven by robust growth in businesses

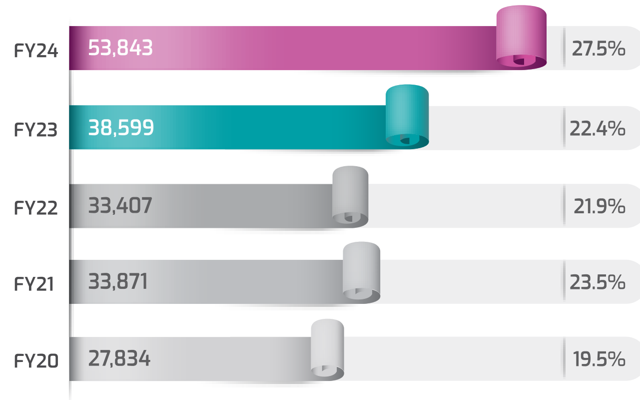
Total Revenues (₹ mn)

CAGR 8%



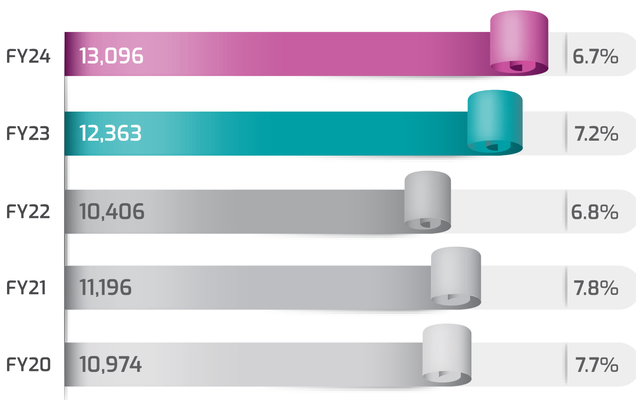
EBITDA (₹ mn) and EBITDA Margin (%)

CAGR 18%



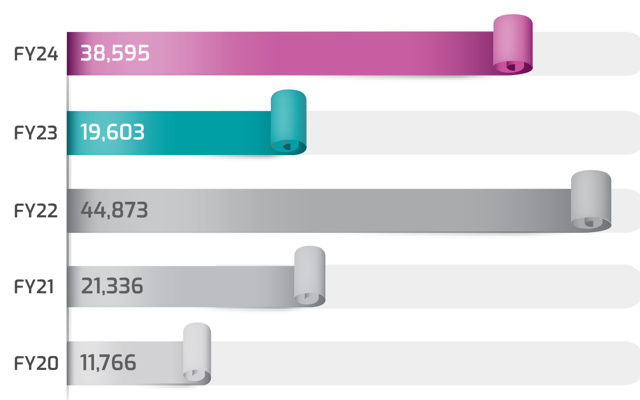
R&D spend (₹ mn) and % of Revenues

CAGR 5%



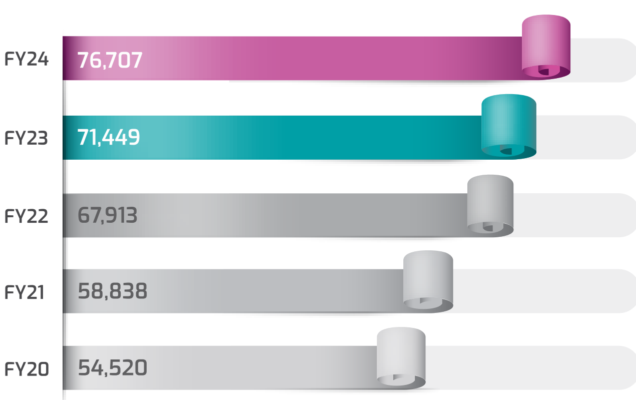
Net Profit (₹ mn)

CAGR 35%



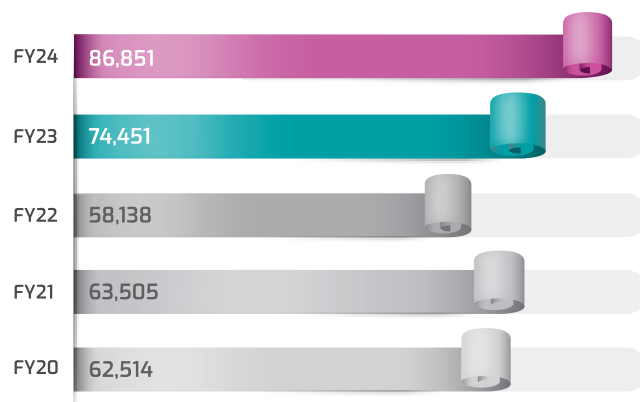
India Geography Revenues (₹ mn)

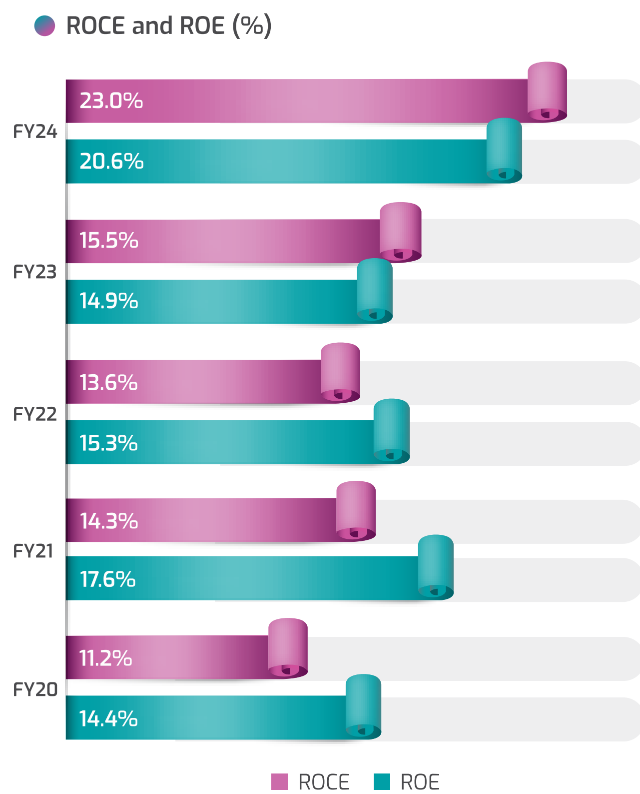
CAGR 9%

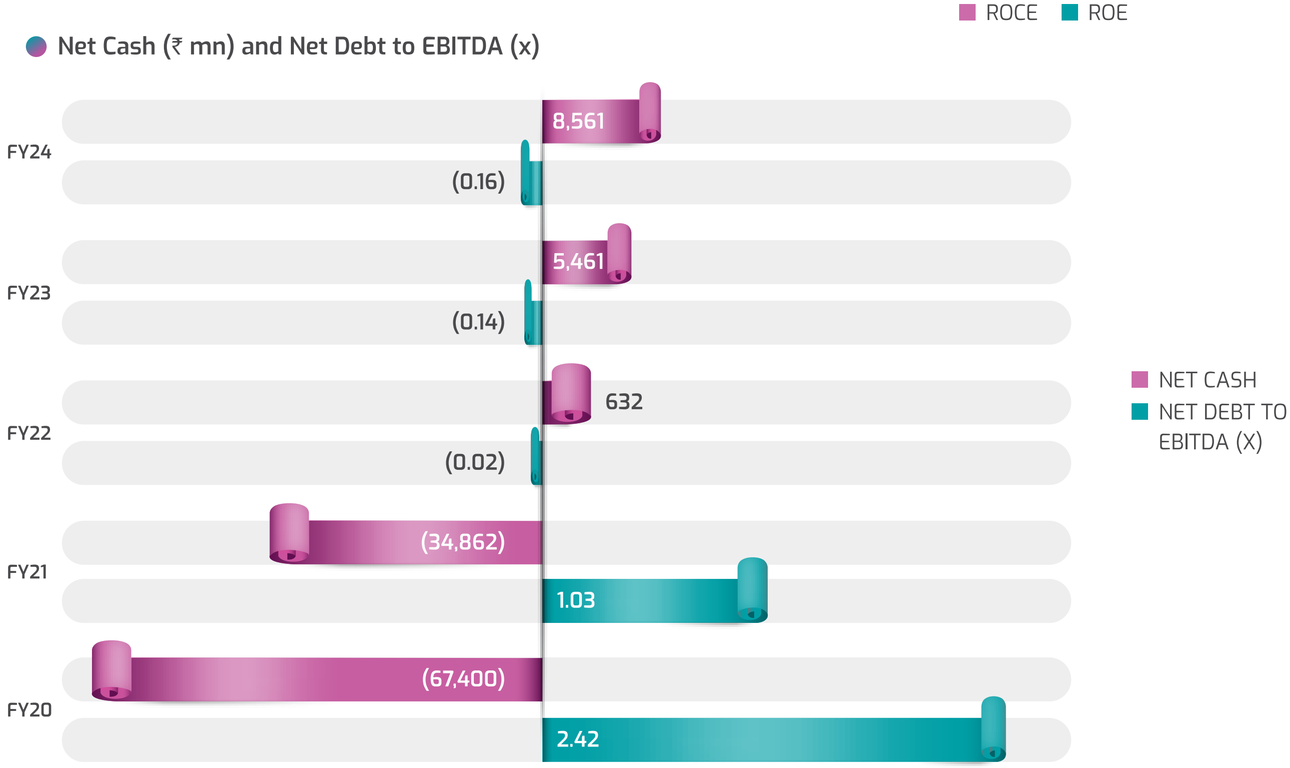


US Revenues (₹ Mn)

CAGR 9%




ROCE and ROE (%)
FY24
23.0%
20.6%
FY23
15.5%
14.9%
FY22
13.6%
15.3%
FY21
14.3%
17.6%
FY20
11.2%
14.4%
ROCE
ROE


Net Cash (₹ mn) and Net Debt to EBITDA (x)
FY24
8,561
(0.16)
FY23
5,461
(0.14)
FY22
632
(0.02)
FY21
(34,862)
1.03
FY20
(67,400)
2.42
NET CASH
NET DEBT TO EBITDA (X)

Operational Highlights

Consolidated Financial Highlights

- Total income from operations was up by 13% y-o-y to ₹ 195.5 bn, from ₹ 172.4 bn last year.
- Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA) grew by 40% y-o-y to ₹ 53,843 mn, from ₹ 38,599 mn last year. The EBITDA margin as % to total income from operations for the year stood at 27.5%, which is an improvement of 510 bps over the previous year.
- Net profit for the year grew by 97% to ₹ 38,595 mn compared to ₹ 19,603 mn last year.
- The Company continued to hold a net cash position as on 31st March, 2024, with a net cash of ₹ 8,561 mn as on 31st March, 2024 vs ₹ 5,461 mn as on 31st March, 2023. The net debt-equity ratio was -0.04 as on 31st March, 2024 as against -0.03 as on 31st March, 2023. Net debt to EBITDA ratio for the year was -0.16 as against -0.14 in FY2023.

Innovation

New Chemical Entity (NCE) Research

- **Lipaglyn® and Bilypsa® (Saroglitazar Mg)**
  - To generate real world evidence, the Company initiated EVIDENCES-XI phase IV clinical trials in India in Metabolic Dysfunctional-Associated Fatty Liver Disease (MAFLD) patients with comorbidities.
  - On the global development front, clinical trials of the molecule for multiple indications for the US market are going on at present.
    - During the year, the Company completed patient recruitment for Phase II(b)/ III clinical trials for Primary Biliary Cholangitis (PBC) indication.
    - Phase II(b) clinical trials to evaluate the efficacy and safety of the molecule for Metabolic Dysfunctional-Associated Steatohepatitis (MASH) indication are going on at present.
    - Clinical trials are also underway for Polycystic Ovary Syndrome (PCOS) and Metabolic Dysfunctional-Associated Fatty Liver Disease (MAFLD) indications.
- **Oxemia™ (Desidustat)**
  - Phase IV clinical trials viz. DREAM-CKD trials are going on in India to generate real world evidence in patients with chronic kidney disease (CKD) induced anaemia.
  - On the global development front, Chinese licensing partner viz. China Medical System Holdings Limited (CMS) received acceptance from the Chinese regulatory authority for a new drug application (NDA) of the molecule.
- **Usnoflast**
  - WHO International Non-proprietary Names (INN) approved "Usnoflast" as the recommended name for ZYIL1.
  - Usnoflast is a novel, oral, small molecule, NLRP3 inhibitor and highly potent in human whole blood assay and can suppress inflammation caused by the NLRP3 inflammasome.

  - Usnoflast is undergoing clinical development for four indications at present, viz. Amyotrophic Lateral Sclerosis (ALS), Parkinson's disease, Cryopyrin-Associated Periodic Syndromes (CAPS) and Ulcerative Colitis.
- Completed Phase II clinical trials in India and submitted the protocol to DCGI to initiate Phase III clinical trials for ZY19489, a novel anti-malarial compound, which is fast-acting and effective against both P. falciparum and P. vivax strains of malarial parasites.

Biologics

- The Company received marketing authorisation for Pertuzumab biosimilar in India.
- The Company completed phase III clinical trials for one monoclonal antibody (mAb) and initiated Phase III clinical trials for one product.
- On the novel biologics front, completed animal toxicity studies for one of the molecules and applied for Phase I clinical trials approval.

Vaccines

- Initiated phase IV clinical trials in healthy subjects to evaluate immunological non-interference of Typhoid Conjugate vaccine with Yellow Fever vaccine.
- Submitted clinical study report of Phase IV clinical trials to CDSCO, which were conducted to evaluate the non-interference of Typhoid Vi Conjugate vaccine with Measles and Rubella (MR) vaccine in healthy infants.
- Completed post marketing surveillance study to assess the safety of MR vaccine in subjects aged 9 to 12 months and submitted the report to CDSCO.

Specialty and Complex Generics

- Received USFDA approval for two NDAs filed through 505(b)(2) route viz. Sitagliptin tablets (ZITUVIO™) and Sitagliptin and Metformin IR tablets (ZITUVIMET™) in the area of metabolic disorder management.
- In the orphan and ultra-rare diseases space, the Company's wholly owned subsidiary Sentynl Therapeutics Inc. USA (Sentynl) acquired worldwide proprietary rights to Zokinvy® (Lonafarnib) for treatment of Hutchinson-Gilford Progeria Syndrome from Eiger Biopharmaceuticals.

India Geography

Formulations Business

- The branded prescription business sustained the growth momentum through the year and outpaced the market growth. The business registered double-digit growth on the back of healthy volumes and new product launches.
- Continued to strengthen presence in the focused therapeutic areas of Cardiovascular, Anti-Diabetic, Respiratory, Gynaecology, Gastro Intestinal, Dermatology and super specialty areas of Oncology and Nephrology.
- Contribution of the chronic portfolio has increased consistently over the years and stood at 41.2% during the year, which is an improvement of 360 bps over the last three years.
- Identified select flagship brands, referred to as Growth Booster brands, which have displayed strong traction and were one of the key growth drivers during the year.

- Innovation portfolio has been one of the key levers of sustainable growth in recent years. Brands like Lipaglyn®, Bilypsa®, Oxemia™ and Ujvira™ made significant strides in terms of patient coverage during the year.
- Posted sales of ₹ 53,690 mn, up 9%. Branded formulations business grew by 10% during the year.

Consumer Wellness

- Continued to strengthen the competitive positioning and market share across brands through strong distribution, category expansion and investments in product innovations, media campaigns, sales promotions, and digital initiatives.
- The demand scenario remained challenging for the FMCG sector in India during the year. The weak demand was more prevalent in rural parts of the country on account of erratic monsoon and lower growth in the agriculture sector.
- The personal care segment of the Company, which comprises Nycil® and EverYuth™ brands, registered a robust double-digit growth. The food and nutrition segment reported a flattish growth during the year.
- Posted sales of ₹ 23,017 mn, up 3%.

Complan
2x Faster Growth

Sugar Free
Smartness wali Sweetness

Glucon-D
Instant Energy

I'm lite
Sugar Badlo health badlo

Everyuth
Pure skin, Happy har din

Nycil
Healthy skin expert

Nutralite
Healthier & Delicious

Sugar Free D'lite

US Formulations Business

- Achieved an important milestone with the annual revenues surpassing US$ 1 bn for the first time.
- In the generics space,
  - Growth during the year was driven by sustained volume expansion in base business, execution success in new launches and supported by benign pricing environment.
  - Ranked 5th among the US generic companies based on prescriptions (Source: IQVIA, Regulatory Insights, MAT March 2024 TRx).
  - Held leadership position in over 20% of the product families and is ranked amongst top three players in approximately 60% of the product families (Source: IQVIA, Regulatory Insights, MAT March 2024 Trx).
  - Launch 28 new products during the year. This included Indomethacin suppository, which was granted 180 days of Competitive Generic Therapy (CGT) exclusivity and three transdermal patches.
  - Received 46 ANDA approvals (including 5 tentative approvals) and filed 20 additional ANDAs with the USFDA during the year.
- On the speciality front,
  - Launched first 505(b)(2) product viz. Zituvio™ during the year.
  - In April 2024, NULIBRY® received marketing authorization from the UK MHRA. It is the first and only approved treatment in Great Britain to treat molybdenum cofactor deficiency (MoCD) Type A, an ultra-rare, life-threatening genetic disorder.
- In the animal healthcare space,
  - Commenced commercial operations during the year. Launched three new products and received seven new product approvals during the year.
- Overall, the business posted sales of ₹ 86,851 mn, up 17%. In constant currency terms, the business registered revenues of US$ 1,049 mn.

International Markets Formulations Business

- The business comprises of select territories of Asia Pacific, Africa, Middle East and Latin America region (together known as "Emerging Markets") and select countries of Europe.
- On the emerging markets front,
  - Retained number one position in Sri Lanka with a market share of 7.4% with 30 brands ranked as leaders in their respective molecule categories.
  - Ranked second in the covered market of South Africa and ninth in the covered market of Philippines.
  - In Latin America, Mexico maintained a strong momentum with healthy double-digit growth, while sluggish market growth impacted Brazil.
- In Europe,
  - The Company entered the UK market during the year. Focus would be on leveraging global R&D portfolio of differentiated and niche generics, as well as speciality products and in turn, build a strong growth path going forward.
  - Acquired the UK-headquartered LiqMeds group of companies which has capabilities and specialisation in development, manufacturing and supply of oral liquid products for global markets, which it currently commercialises through partners.
- Posted sales of ₹ 19,294 mn, up 22%.

APIs

- Filed 4 DMFs with the USFDA, taking the cumulative US DMF filings to 142.
- Posted sales of ₹ 5,658 mn, up 3%.

Manufacturing and Quality

- The Oral Solid Dosage (OSD) facility I located in Ahmedabad SEZ received an Establishment Inspection Report (EIR) with Voluntary Action Indicated (VAI) status from the USFDA against an inspection, which was conducted during the previous financial year, 2023. The facility also completed EU-GMP audit and received EU GMP approval.
- OSD facility II and Animal health formulations manufacturing facility located in Ahmedabad SEZ and Biologics fill-finish facility located at Zydus Biotech Park in Changodar completed USFDA inspections and received EIR from the regulator.
- API Ahmedabad facility completed USFDA inspection and received an EIR during the year.
- To meet rising customer demand, large volume block of OSD II located in Ahmedabad SEZ (known as SEZ II plant) was made operational during the year. Received first ANDA approval from this facility during the year.

ESG

At Zydus, the Environmental, Social, and Governance (ESG) initiatives are integral to the Company's mission of fostering a sustainable future. Through innovative strategies and practices focussed on sustainable future, the Company aims to uphold the highest standards of environmental stewardship, social responsibility, and corporate governance. The Company's dedication to these principles not only drives value for its stakeholders but also aligns with global benchmarks and contributes to the overall well-being of the communities it serves.

In today's interconnected world, businesses are increasingly being scrutinized not only for their financial performance but also for their broader impact on society and the environment. This shift has given rise to the concept of ESG criteria, which serve as a framework for evaluating a company's commitment to sustainability, ethical practices, and corporate responsibility. By integrating ESG considerations into their business strategies, companies can enhance their long-term sustainability and resilience. Investors are increasingly factoring ESG performance into their decision-making processes, recognising the potential financial risks and opportunities associated with environmental and social issues. Moreover, consumers, employees, and regulators are holding companies accountable for their impact on the world beyond profits. ESG represents a holistic approach to corporate responsibility, emphasising the interconnectedness of environmental stewardship, social responsibility, and sound governance practices. Companies that prioritise ESG not only contribute to a more sustainable future but also stand to benefit from improved reputation, increased investor confidence, and enhanced long-term value creation.

ESG Governance

In an era of increasing scrutiny and expectations regarding corporate behaviour, an ESG Committee serves as a strategic enabler for companies seeking to navigate the complexities of ESG integration and drive sustainable value creation. By embracing its role as a catalyst for positive change, the ESG Committee can empower organizations to thrive in a rapidly evolving business landscape while contributing to a more equitable, resilient, and sustainable future.

The Company has established dedicated CSR & ESG committee to oversee ESG performance and assist the board. The CSR & ESG committee has well defined terms of reference, reviews the ESG performance at least twice a year and shares their inputs for continuous improvement. The gender diversity of ESG committee is 33% and overall board gender diversity is 20%. The Company has also taken conscious efforts to increase board structure by making the board independence to the level of 60%. As part of organisation governance mechanism, the various other committees i.e. audit committee, risk management committee etc. can be referred by using the following link: https://www.zyduslife.com/investor/#compcommittee

ESG Policies

In today's business environment, ESG policies have become critical for companies aiming for sustainable growth and long-term success. These policies provide a framework for companies to operate responsibly and ethically, addressing the needs of a diverse set of stakeholders, including investors, customers, employees, regulators, and the communities in which they operate. ESG policies help companies stay compliant with these regulations, thus avoiding legal penalties and enhancing their license to operate. The importance of ESG policies are not just about compliance or managing risks; they are about creating a sustainable and ethical business model that ensures long-term success.

By integrating ESG considerations into their operations, companies can enhance their reputation, drive innovation, attract and retain talent, and secure a competitive advantage in the marketplace. Ultimately, strong ESG policies contribute to a more sustainable, equitable, and prosperous future for all. The Company has dedicated policies on EHS, Human Rights, Whistle Blower, code of conduct for employee and supply chain etc. The EHS policy of the Company is applicable to all business units, stakeholders including all subsidiaries. The EHS policy is implemented across operations and respective EHS team available at locations ensure implementation and sustenance of policy aspects. All employees have to undergo mandatary training module every year on EHS to keep themselves abreast of EHS policy aspects. The detail of the polices can be refereed from the following link :
https://www.zyduslife.com/companypolicy

Key ESG Challenges

During FY2023 the Company has conducted materiality assessment as per relevant ESG Standards to identify material topics that can become as risk/ challenges/ opportunities. For the Company, the material topics are of high concern to the business, stakeholders and can impact business and value chain drivers. The identification and prioritisation of material topics are done based on their relevance to the Company and concerned sector of business. The Company has identified material topics based on interaction with internal and external stakeholders. The materiality assessment is prepared with due consultation and verification with third-party subject matter expert. Based on the analysis, a few key challenges posed by the Company are listed below:

Sr. No.	ESG Challenges	Actions to Overcome Challenges
1.	Climate Change (GHG Emissions)	a) Onsite generation of solar power at manufacturing locations.
		b) Improving energy efficiency/operational efficiency of energy-consuming equipment to reduce energy consumption.
		c) Increase in utilisation of bio fuel/hybrid fuel to minimize the dependencies on conventional fuel i.e. Coal/Diesel etc.
		d) Increase in the purchase of solar-wind hybrid power.
2.	Waste Management	a) Responsible disposal of waste.
		b) Complying with applicable regulations for waste generation and disposal.
		c) More emphasis on reduction of waste generation.
		d) Increasing Co-processing of waste.
3.	Water Management	a) Adopting Zero Liquid Discharge (ZLD) approach to maximise recycle, re-use of water and reduce fresh intake of water.
		b) Use of water efficient technology.
		c) Sensitising the mind set of internal and external stake holders to reduce the consumption of water.
		d) Strategise approach and efforts to achieve water neutrality.
4.	Corporate Governance and Ethics	a) Zero tolerance for ethical and integrity breach.
		b) Adoption of Code of Business Ethics and Conduct applicable to the directors and employees of the Company.
		c) The Code encourages honesty, trust, accountability and transparency. Any new joinee is briefed about the Code and encouraged to follow in letter and in spirit.
5.	Sustainable Supply Chain	a) Vendor assessment based on ESG parameters.
		b) Adherence of Supplier Code of Conduct is mandatory for vendor onboarding.
		c) Creating multiplier supplier base for similar products/services to maintain business continuity.
		d) Robust system checks for all statutory dues i.e. GST, PF, ESIC, Bonus, WC, etc. Awareness sessions for vendors based on ESG parameters.
6.	Product Quality and Safety	a) Established robust quality management system which ensures the quality, safety and sustainable supply of products.
		b) Effective implementation of Quality Risk Assessment Programme ensures regulatory and data integrity compliance.

Integration of ESG Principles into Corporate Strategy

The Company is embedding ESG factors into its overall business strategies, ensuring that sustainability considerations are integrated across all decision-making levels. This includes identifying material ESG issues relevant to the industry and assessing their potential impacts on our business.

a) Board-level Oversight: Boards of Directors are actively involved in overseeing ESG issues and integrating them into corporate strategy. The Company established various committees with a defined roles and responsibilities of overviewing sustainability matters, ensuring that ESG principles are aligned with the Company's long-term goals.

b) Risk Management: Integrating ESG principles into risk management processes helps the Company identify and mitigate potential risks and capitalise on opportunities. By assessing and addressing ESG risks, the Company is enhancing its resilience, managing reputational risks, and ensuring long-term value creation.

c) ESG Metrics and Reporting: At corporate level, the Company we have implemented robust measurement and reporting systems to track their ESG performance and disclose relevant information to stakeholders. This involves defining key performance indicators (KPIs) for ESG factors like Environment, safety, social indicators etc. and regularly reporting on progress. The Company participates in Corporate Sustainability Assessment (CSA) by S&P Global and publishes Annual BRSR and ESG Report.

d) Innovation and Science: The Company's mission, vision, and purpose aim to increase access to healthcare by focusing on science and innovation. The Company's journey as a responsible organisation has been marked by a conscious effort to contribute to the welfare of the communities, people, and the world around us. Through the Company's initiatives under ESG, it reaffirms this commitment and remains dedicated to life in all dimensions.

e) Stakeholder Engagement: The Company seeks inputs and feedback from stakeholders to identify ESG priorities, set targets, and align its strategies with their expectations.

ESG Benchmarking

The Company acknowledges that ESG benchmarking is crucial for fostering transparency, managing risks, informing investment decisions, ensuring regulatory compliance, gaining competitive advantage, building stakeholder trust, creating long-term value, and maintaining a positive corporate reputation. The Company conducts benchmarking with critical ESG parameters by participating in Corporate Sustainability Assessment (CSA) by S&P Global along with analysis of various rating agencies i.e. Sustainalytics and Stakeholder Employment Services (SES).

Key results of ESG benchmarking are as follows:

a) The Company got ESG score of 62/100 in the corporate sustainability assessment (CSA) by S&P Global in 2024. The Company improved own performance by 15% I ESG score w.r.t. 2023 (54/100) and stood among top 05 Indian pharma companies in ESG rating by S&P Global.

b) The ESG rating agency Sustainalytics has rated the Company in Medium ESG risk in 2024 compared to high risk of 2023.

c) Based on ESG disclosures in Business Responsibly and Sustainability report (BRSR), SES has scored 70.3/100 in 2024 with 18% improvement w.r.t. 2023 (52/100)

Based on benchmarking with peer pharma companies, the Company is progressing in strategising actions to improve performance on ESG parameters, including exploring opportunities to increase RE, Water Conservation, Waste Disposal, Gender Diversity, Supply Chain, etc.

ESG Highlights

3%

reduction in GHG intensity (tCO_2/Revenue in Million Rupees) in FY23-24 w.r.t. FY22-23

2%

reduction in Energy intensity (tCO_2/Revenue in Million Rupees) in FY23-24 w.r.t. FY22-23

9%

reduction in water intensity (tCO_2/Revenue in Million Rupees) in FY23-24 w.r.t. FY22-23

7%

reduction in waste intensity (MT/Revenue in Million Rupees) in FY23-24 w.r.t. FY22-23

0

fatal incident in FY23-24

- Structured board committee on ESG issues i.e. "CSR & ESG committee" to oversee ESG performance and assist the board.
- Increase in ESG score by 15% from 54/100 (2022) to 62/100 (2023) in corporate sustainability assessment by S&P Global.
- Improvement in the Company performance in ESG risks from High risk to Medium risk in ESG risk rating by Sustainalytics in 2023.
- Gender diversity of 33% in the CSR and ESG committee.
- Reduction in number of safety incidents in FY23-24 w.r.t. FY22-23.
- Increase in number of beneficiaries from Zydus flagship CSR programme – Zydus Medical Hospital, Dahod.
- Paternity leaves to male employees as part of employee benefit initiatives.
- Board gender Diversity of 20%.
- Board independence of 60%.

People Power at Zydus

As a people-driven organisation, Zydus has been nurturing an inclusive work environment. With the motto 'We Build People to Build our Business' Zydus has built a strong leadership bench and enriched the talent pipeline through comprehensive learning and development programmes, made culture the organisation's bedrock, championed diversity and inclusion and engaged a new generation of employees for accelerated growth.

26,240
Total Employees

8,610
Zydan frontliners at the market place

21,500
Young Zydans (Below 45 years)

4,893
Zydan frontliners at shopfloor

196
Young leaders

1,876
Women workforce

Nurturing Talent

The talent development at Zydus focuses on creating a future-ready talent pipeline. The overall talent management programme is structured to ensure business continuity in alignment with the long-term goals. In keeping with this, the organisation's focus is on four fronts.

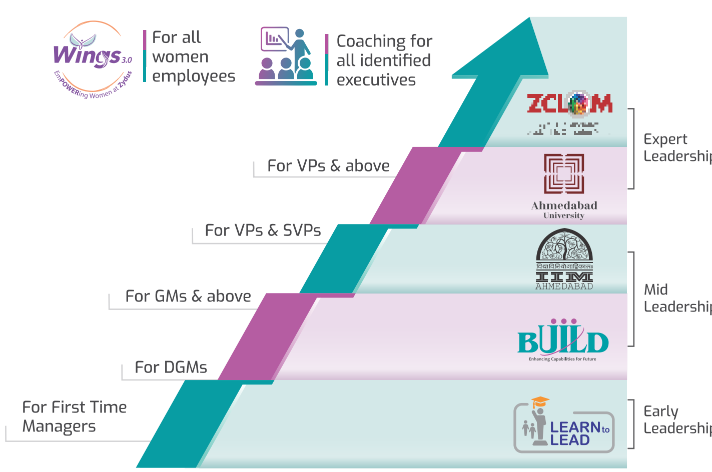
Career Progression | Succession Development | Leadership Development | Skill Building

Areas of focus in Talent Development Life Cycle

The various leadership development interventions at Zydus aim to strengthen and build early, mid-level, and expert-level leadership capabilities. The overarching theme of leadership development is centred around building individual, collaborative, and well-rounded leadership. The nature of interventions includes intensive workshops for all levels of managers and learning programmes with the finest institutions.

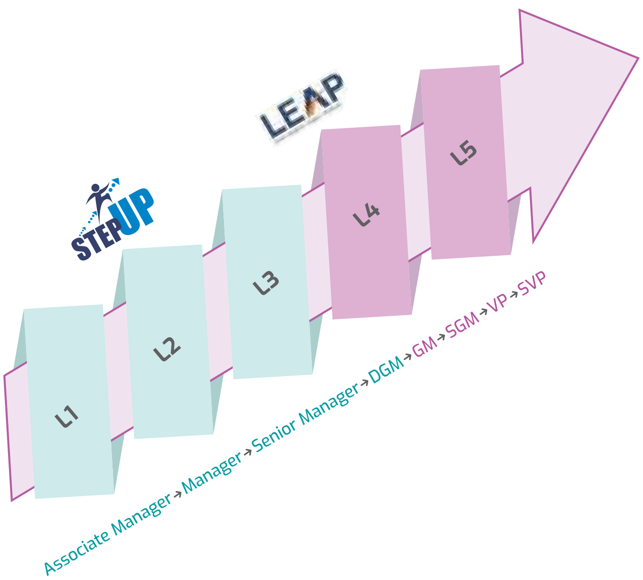
Assessment and Development Centre

At Zydus, performers both at junior and senior levels are enrolled in different assessment and development centres that provide opportunities for individual growth and building capabilities for next level. Specialised business leadership development interventions are offered to senior leaders by harnessing exclusive partnerships with esteemed institutions such as IIM Ahmedabad, Ahmedabad University and Symbiosis Institute of Business Management.



Leadership Capability Building

At Zydus, all employees get equal opportunities for growth. Deserving employees are enrolled under multiple skill building interventions. These skill building programmes are driven both through digital platform called 'ZyLearn' and classroom sessions facilitated by trainers. The skills are built to develop individuals in the area of managing self, managing others and managing business. Different interventions are introduced to maximise learning outcomes.



Talent development at Zydus

30
First Time Managers developed for people management role through a customised six month intervention

68
Senior Leaders taken through career progression Assessment & Development journey

255
Mid-level Managers underwent Management Development interventions

255
Women employees covered in Women Leadership Development Programme

1,250
Zydan Women participated in exclusive 'Women Who Inspire' webinar series

18,758
Employees covered through online training modules

198
High-potential employees underwent a six month development journey

18
Middle Managers globally enrolled in Coaching intervention

15
Leadership talent enrolled in Global Executive Programme

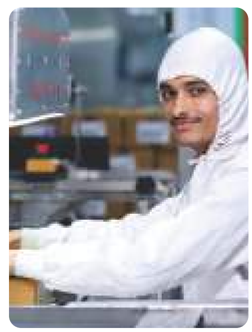
53,679
Technical trainings &
654
behavioural programmes covering
1,24,272
employees

987
Women participated in 1st Global Pulse survey for Women

558
Employees developed under various business specific learning interventions

13,197
E-learning hours achieved

862
Zydans certified for Learning progression



Institute to Industry

At Zydus, people's assets and capabilities are the key drivers to success while making it an exciting and great place to work. As a part of the 'Institute to Industry' programme, fresh graduates and post-graduates from reputed educational institutes are welcomed into the Zydus talent ecosystem. They are given orientation, support, extensive coaching and on-the-job training and mentoring to equip them for careers in pharma manufacturing.

800 Candidates Engaged

64 Candidates Selected

Attracting talent from institutes of repute

The Zydus Management Trainee Programme (MT Programme) attracts a highly talented group of interns every year. Around 20 management trainees from premier institutions like IIMs, IITs, NITs, NIPERs, BITS and Symbiosis are selected through a rigorous selection process, with a highly competitive acceptance rate of only 5%, are inducted every year.

A specialised programme to nurture the talent and accelerate the success of these individuals has been put in place. Through on-the-job training by in-house subject matter experts as mentors and curated career paths, the programme aims to enhance their capabilities for a successful career path.

Management Trainees from premier institutes:

IIMs → IITs → NITs → NIPERs → BITs → Symbiosis

20 management trainees selected every year

competitive acceptance rate of only **5%**

Talent Management

Performance management at Zydus involves its employees as individuals and team members in improving business outcomes and organisational effectiveness in accomplishing the goals and vision. The performance management process or ZyScore and MyScore aligns the organisational goals and business objectives, reinforces individual accountability for meeting these goals and tracks and evaluates individual and organisational performance results. It reflects a collaborative spirit and partnership in which the organisational performance, based on critical success factors (CSF), is agreed upon to drive sustainable business. These are synced with the individual scorecards so that the ZyScore parameters and function-specific KPAs become a priority at an individual level in the MyScore. As a part of this process, managers also share responsibility for developing their employees in a way that enables and motivates them to do their best. It is a clearly defined process for managing people that will result in the growth of both the individual and the organisation.

ZyScore

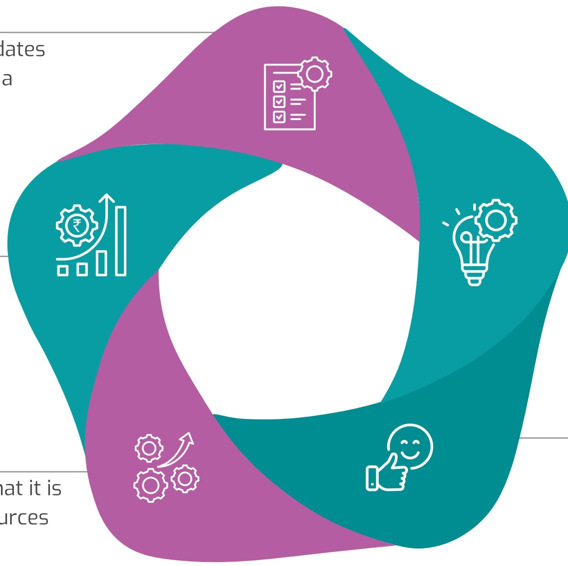
ZyScore measures organizational performance based on critical success factors (CSF) to drive sustainable business performance. The CSF having an impact on our organization are as follows:

Critical Success Factors
Affecting Sustainable Business Performance of Zydus

COMPLIANCE
The nature of our industry mandates absolute compliance to support a robust value chain and business continuity

FINANCIAL PERFORMANCE
The organisation needs to continuously evaluate its financial positioning to build a growth mindset

PRODUCTIVITY
The organisation must ensure that it is optimising all the available resources as per business requirements



INNOVATION
We need to constantly evaluate our product placements and new launches to maintain market superiority

CUSTOMER SERVICE
Maintaining service excellence through adequate demand fulfillment is necessary for strengthening

Employee Engagement

At Zydus, we believe that fostering a vibrant and inclusive workplace culture is essential for our employees' well-being and the organisation's overall success. The employee engagement initiatives aim to create an environment where every employee feels valued and motivated. All year through, the employee connect programmes bring a sense of connectedness and help build a strong sense of community within the organisation.






Diversity, Equity & Inclusion

We are committed to fostering diversity, equity and inclusion throughout our organisation. Zydus believes that diversity, equity and inclusion are interconnected, and only when they are seen in unison do they have meaning and impact. When the Company rebranded itself in 2022, the new identity was all about nurturance and inclusiveness. The 'US' in Zydus was encapsulated in the heart. As a global workplace spread across 55 countries, Zydus celebrates diversity. The company enjoys a youthful workforce comprising employees in their mid-30s and employees with long service tenures to offer the right balance. As an employer, Zydus provides equal opportunities to all without caste or religious bias and respects all religions. Above all, as an organisation on the growth path, diversity of thoughts is nurtured at Zydus. Since its inception, the HR motto has been to build people to build the business. In line with this, Zydus has a legacy of championing talent. The Company's norms, practices, and policies ensure fair treatment to all. The Company's HR policies ensure a safe work environment with a zero-tolerance policy towards any form of harassment.

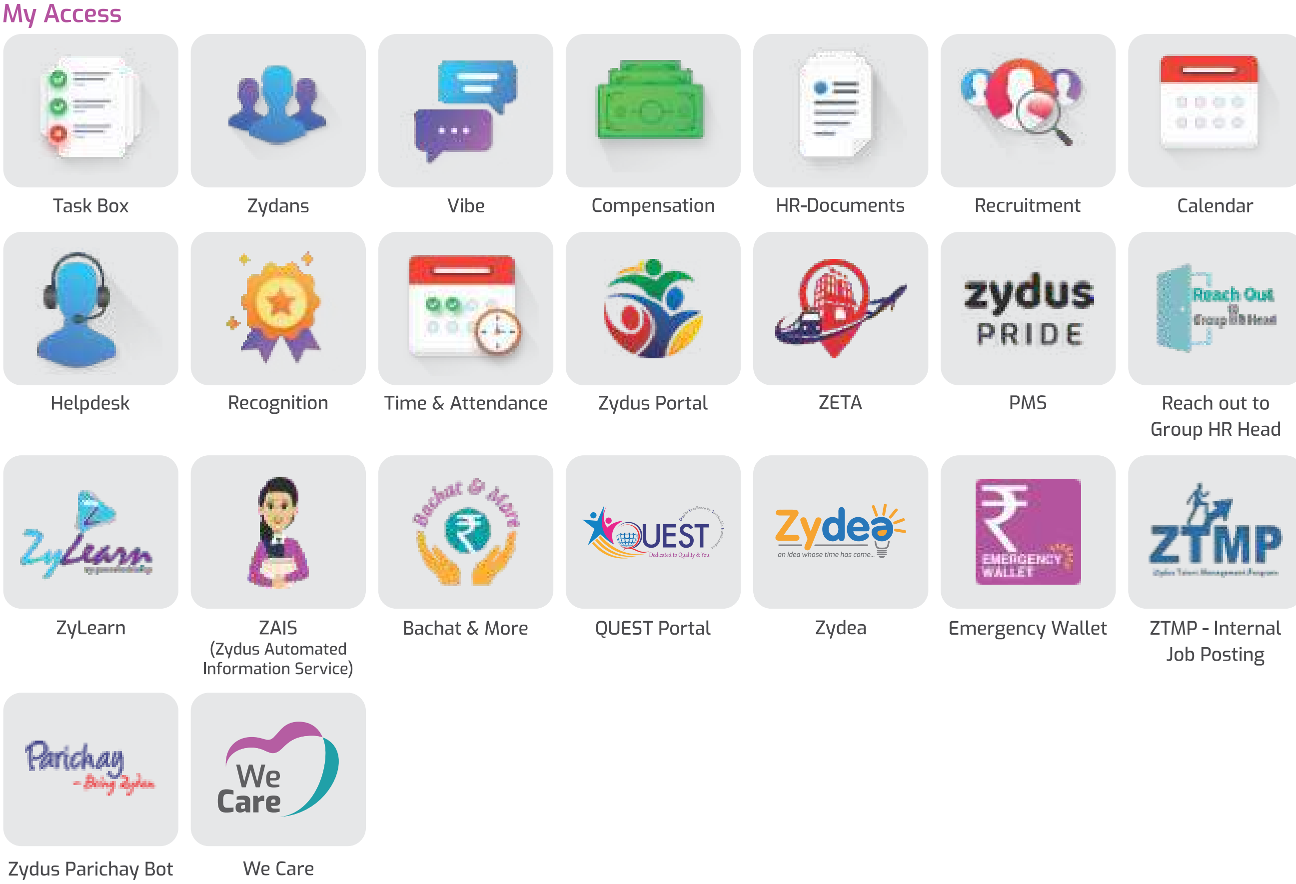

Zydus - a future-ready workplace

In Fortune India's issue on Future Ready Workplaces, Zydus was ranked fourth. CIEL HR and Fortune had conducted a nation-wide survey in February-March 2024. Several companies from India participated in this survey from across different sectors. Out of this, 30 companies were shortlisted. Only the top 10 from this selected list were profiled and featured in an article. Zydus was profiled from the lifesciences and healthcare sector. As a part of its future readiness, Zydus' strengths and capabilities in innovation and drug discovery, patient centricity, leveraging technology such as AI and ML for greater accuracy and enhancing productivity were highlighted.

Digital touch-points for employee well-being

In keeping with the ongoing efforts on HR digitalisation, newer features were introduced in Zydus Connect 2.0 during the year to support employee well-being. New features like instant access to mediclaim through Healthie-U, emergency wallet for exigencies, attractive tie-ups for wide ranging shopping experiences at specially curated rates through Bachat & more and WeCare a voluntary contribution for employee welfare fund, were set up during the year. These new features helped bring in ease of convenience for the employee through quicker access and faster outcomes.

My Access



Zydus Srishti

Zydus Srishti, the group's CSR Programme, is committed to holistic development and sustainable progress. Under four pillars, the flagship programmes endeavour to make a difference in society that is in sync with the Sustainable Development Goals (SDGs).

SWASTHYA
transforms rural healthcare, ensuring access to quality services and promoting well-being.

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

SHODH
promotes research and innovation, catalysing breakthroughs to address societal challenges.

SAATH
is about community initiatives that contribute to environmental sustainability through conservation and awareness initiatives.

SWASTHYA

Zydus Medical College & hospital - Transforming rural health landscape

To address healthcare challenges in Dahod, the Gujarat Government, in a public-private partnership (PPP) in 2017, set out to transform healthcare delivery outcomes in the region. As a part of this, the Zydus Foundation established Zydus Medical College and Hospital (ZMCH) in Dahod. ZMCH has rapidly emerged as a beacon of hope, offering high-quality tertiary healthcare services to the tribal and under-served populations across Eastern Gujarat and neighbouring districts of Madhya Pradesh and Rajasthan.

Zydus Medical Hospital, Dahod's free of cost service since 2017:

- **19,42,939** OPDs conducted
- **2,14,056** IPDs attended
- **5,30,790** X-rays conducted
- **1,51,505** USG tests conducted
- **1,00,154** surgeries conducted
- **72,204** casualty cases attended
- **2,648** MRIs conducted
- **8,41,764** microbiology tests conducted
- **27,656** babies delivered
- **42,61,699** biochemistry tests conducted
- **68,67,419** pathology tests conducted

With a comprehensive range of medical services that are provided free of cost, the hospital has transformed from a modest facility into a sprawling infrastructure equipped with advanced diagnostic and treatment facilities. With over 1,000 beds and a team of 350 doctors and 500 nursing staff and paramedics, ZMCH has brought in much-needed access to excellent-quality healthcare services. With its state-of-the-art campus, Zydus Medical College is nurturing a new generation of healthcare professionals committed to serving their communities. Through its multifaceted approach encompassing medical education, research, and community engagement, ZMCH addresses immediate healthcare needs and fosters long-term solutions for a healthier future.

Zydus Red Cross Experience Centre

Zydus collaborated with the Red Cross and established the Zydus Red Cross Experience Centre, named 'Navah'. The centre aims to create an exciting visual experience through immersive art installations and focuses on using digital technology to create a new media art.

'Navah' is designed to raise awareness about the importance of blood donation while providing community with a unique and thought-provoking experience.

Donation to BHU

Zydus Foundation has donated high-end medical equipment to Indian Institute of Medical Sciences (BHU) to provide quality health care services to the community. This includes, Hyberbaric Oxygen Therapy Machine of Inhaled Nitric Oxide Machine (2 Units).

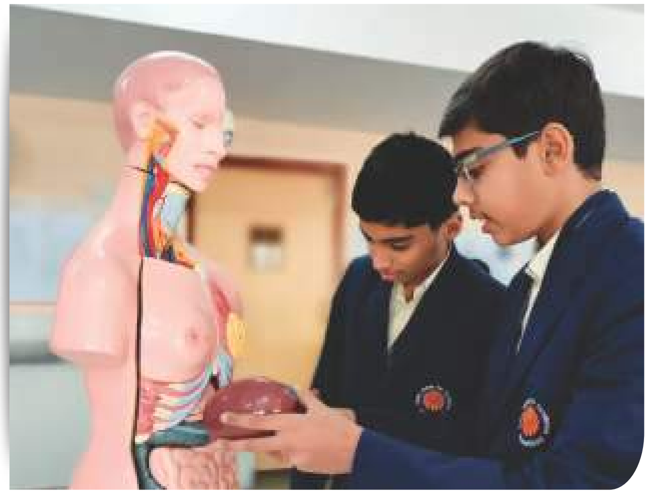
SHIKSHA

Educational Initiatives

Ensuring quality education, as outlined in Sustainable Development Goal 4 and 5, goes beyond being a fundamental human entitlement; it stands as a pivotal pillar for societal progress and overall welfare. It serves as a powerful catalyst for social transformation, empowering individuals with the knowledge, skills and values needed to navigate the complexities of the modern world.

Introducing STEM Labs at Schools

Zydus in its commitment to providing holistic education, has established state-of-the-art science labs in Zydus School for Excellence, located at Vejalpur and Godhavi. This lab serves as a dynamic space where students can delve into the real-life applications of various scientific concepts. The 108 science models housed within this lab are designed to offer a hands-on, plug-and-play experience, bridging the gap between theoretical knowledge and practical understanding. Ms. Meha Patel, Vice Chairperson of Zydus Foundation, inaugurated the STEM labs. To ensure effective utilisation of these resources, experts from IIT Gandhinagar conducted a comprehensive training session for the teachers.



Changodar School Development

Zydus has re-constructed a secondary school campus at Changodar in Ahmedabad. With the building being in a decrepit state, the conditions were highly unsafe for the students and teachers at the school. Recognising the urgent need to overhaul and reconstruct the premises, Zydus undertook a major reconstruction exercise spread over 52,441 sq ft. The new facilities include additional classrooms, staff rooms, an outdoor play area and enhanced facilities.

Science Carnival in collaboration with Gujarat Science City

The group actively participated in the largest Science carnival organised by Gujarat Science City in Ahmedabad. With the setup of over 100 stalls, the event served as a vibrant platform to showcase a diverse range of science projects, truly celebrating the ingenuity of young scientific minds. Mr. Sudhir Joshi, Deputy Secretary of the Department of Science and Technology, Ms. Meha Patel, Vice Chairperson Zydus Foundation and Mr. Hitesh Amin, Under Secretary of DST were the dignitaries at the event.

Skill Development Programmes

Skill development, which is a part of SDG 4, is crucial from a social standpoint as it empowers individuals in contributing effectively to the economy. Zydus initiated skill development programmes for specially abled students. The technical courses include mobile repairing, baking and confectionary, photography and photo editing courses conducted by professionals and experts. Some of these courses were certified by NSDC (National Skill Development Corporation). This has helped students gain important skills that can in turn help them become self-reliant and financially independent.

Mit Patel, the specially-abled child of a financially constrained family, ventured into baking by enrolling in a course. He developed a passion for baking bread, cake, doughnuts and cookies. He aims is to support his family and open his bakery after his studies.

Abdul always wished to learn technical skills since his childhood. He is pleased to receive this opportunity under the Zydus Skill Development programme. He completed the course and received a free mobile kit. He works in a nearby mobile shop and is happy to add to the family income.

Programmes at the Deaf and Mute School, Ahmedabad

A capability-building programme was also organised for the educators at the School for Deaf and Mute, Ahmedabad. The training comprised several team building and behavioural programmes. A speech therapy programme was introduced to address the unique communication needs of specially-abled children challenged to be deaf and mute. A skilled audiologist with expertise and passion for this crucial role has been appointed. With customised sessions for each child, the aim is to address the unique needs of each student and create an inclusive learning environment.

Sewing Course for Women

Aligned with the UN's Sustainable Development Goals 4 and 5, a sewing course was launched for underprivileged women in rural Ahmedabad. The objective was to empower women to become self-reliant. In collaboration with Dharti Charitable Trust, the Company initiated a three-month vocational skill development programme on sewing for underprivileged women. Women from Bavla village enrolled in the course, which would help them augment the family's income and support their children's education. The programme offered comprehensive training in sewing machine operation, fabric understanding and stitching techniques. It also oriented them on tailored garments and fashion trends, helping them personalise apparel and bringing creative touches to bags and clutches. Workshops and factory visits to fabric mills also brought in all-round exposure. At the end of the course, Zydus's donation of sewing machines further supported the participants' newfound skills and quest to enrich their livelihood.

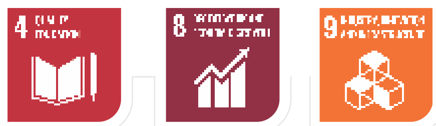
Scholarship Programme

Shri Ramanbhai – IPA Scholarship Programme, in collaboration with the Indian Pharmaceutical Association, is aimed at helping meritorious students who lack adequate social and economic backing to complete their courses. The programme supports select students from 25 pharmacy colleges of India each year in completing their pharmacy course of four years. The scholarship programme has benefited students who drop out of college due to lack of financial support. To date, more than 200 students have been supported through this programme.

Platform for Grassroot Organizations

Zydus had invited 17 grassroots organizations from far-flung corners of Gujarat to create a festive bazaar at the Zydus Corporate Park. The NGO Mela was inaugurated by Mrs. Preeti Patel and Ms. Meha Patel. The event, which had specially abled children and tribal artisans showcasing their work, celebrated cultural diversity and promoted community engagement. This event showcased Zydus' commitment to employee engagement in impactful social initiatives.

SHODH



Research and innovation, aligned with Sustainable Development Goals 4, 8 and 9, are essential drivers of progress, fostering creativity, problem-solving, and knowledge creation. They contribute to technological advancements, economic prosperity, and societal well-being while addressing global challenges like climate change, poverty, and inequality. Collaboration among academia, industry, and government accelerates the development of sustainable solutions, promotes environmental sustainability and optimises resource utilisation for a brighter future.

Grassroot Innovation Programme

Zydus, in partnership with GIAN (Gujarat Grassroot Innovation Augmentation Network), has launched a programme aimed at discovering and rewarding grassroots innovators in various sectors such as Health, Technology/Engineering, Environment/Waste Management, and Education/Social Impact. This initiative will recognise and celebrate exceptional contributions made by individuals and communities at the grassroots level in fostering innovation and collaboration. This recognition would serve as a platform to honour innovators who have brought about meaningful change through their creative solutions, leading to transforming lives through innovation. Through the programme, the three best innovators receive financial support from Zydus every year.

SAATH

Environmental Well-being

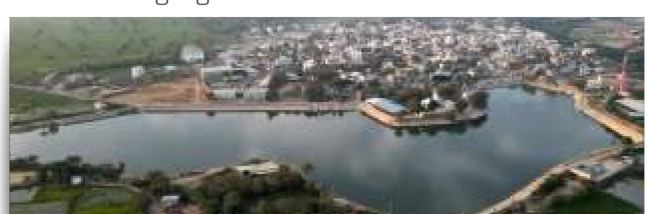
Ensuring environmental sustainability, a core goal of SDGs 13 and 15, is crucial for societal well-being. It safeguards resources, mitigates climate change impacts, and promotes eco-friendly practices. Access to clean air, water, and sanitation is vital for human health and dignity, especially for marginalised communities. Collaboration and awareness are key to implementing sustainable solutions and creating resilient societies.

Green Gujarat Initiative

The Green Gujarat Initiative was launched to promote environmental sustainability and combat climate change through a series of comprehensive measures. As a first step to increase the green cover, people from the community came together to make seed balls embedded with native seeds, which could be dispersed during the monsoons. The campaign received an overwhelming response with over 15,000 people converging to create 1.20 lakh seed balls. During the onset of the monsoons, these seedballs were dispersed with the help of drones over 42.12 hectares in Science City, Manasa and Dehgam forest ranges of Gandhinagar. PCCF, HoFF Shri S. K. Chaturvedi, from the Gujarat Forest Department and Vice Chairperson, Zydus Foundation, Ms. Meha Patel presided over the event.

Restoring the Banganga Lake

Zydus partnered with District Administration, AUDA (Ahmedabad Urban Development Authority) and AMC (Ahmedabad Municipal Corporation) and restored the historic Banganga Lake for the village community at Modasar. Hon'ble Chief Minister of Gujarat, Shri Bhupendra Patel, performed the Lokarpan ceremony in February, 2024. This 500-year-old heritage site has been preserved with the aim to enhance lake's biodiversity and environmental sustainability. A 1.5-kilometre-long well-lit pathway is now a part of the new ambience. The bund has been strengthened, which has resulted in a higher water-holding capacity. The project also includes a dedicated play area for children, and a vibrant recreational space for families. A tree plantation drive was also carried out under the Green Gujarat Initiative. Both the village community and volunteers from Zydus planted local tree species at the Banganga Lake.



IMPACT:
7 lakh kilo litres of water storage will be possible in the lake, and the water recharging capacity will be 2x the storage capacity (approximately), depending on the rainfall. A step toward net water positive.

Waste Management Sensitisation

In response to SDG 13, sessions were held at the Zydus Corporate Park and the plant sites to address the issue of non-degradable waste. The sessions brought together senior team leaders and their teams to explore the critical aspects of waste management. They highlighted the realities of waste problems, offered solutions, and underlined individual and collective responsibilities to tackle them. An action plan was developed to reduce our reliance on plastic waste, aligning with the group's commitment to sustainability. These events were a significant step toward a cleaner, greener, and more sustainable world.

EMPLOYEE VOLUNTEERISM

5,692
Zydans volunteered

2,300
hours of community services.

Save the Bird

As the mercury surged past 40 degrees in summer, Zydus participated in 'Save the Bird' campaign by distributing clay pots to help birds quench their thirst.

Mobile Donation Drive

A mobile donation drive was initiated, rallying friends and family to donate used or non-functioning mobile phones. The specially-abled students used these devices of Ahmedabad's Deaf and Mute school enrolled in a mobile repairing course to have hands-on practice.

Shram Daan

The Shram Daan campaign was initiated at both Zydus Corporate Park (ZCP) and the group's manufacturing sites. During this initiative, employees generously donated educational essentials such as notebooks, pencils, pens, colours, etc. These items were distributed among 170 orphan/single-parent students in AMC schools across Ahmedabad.

Festive Celebration with Students and Employees at Deaf & Mute School

With a meaningful involvement in the lives of specially abled students at the Deaf and Mute School, Zydus actively created lasting memories during the festive season. Vice Chairperson of Zydus Foundation, Ms. Meha Patel and Master Shaurya Patel visited the school, where they interacted with the students and also participated in painting lanterns together with them besides other fun and games. Over 400 students participated in the event, and the vibrantly decorated school created a festive ambience.

Community Care

As a part of the volunteerism drive within the company on various CSR initiatives, a group of employees came together to celebrate Women's Day with the especially abled students from Andh Apang Kalyan Kendra and students from Gokul Ashram Shala. Spending significant time with the children, the day was spent engaging in music, fun and games. Musical instruments were also gifted to the school. Over 140 students collaborated with Zydans to create visual art on themes like Mother Earth, saving water and women's empowerment.

Nutrition kits for TB patients

The Company collaborated with the Vadodara District TB Centre to support patients suffering from tuberculosis. Under this initiative, the Zydus Dabhasa Plant distributed nutrition kits specifically designed to meet the unique nutritional needs of TB patients from underprivileged backgrounds.

Notable Achievements

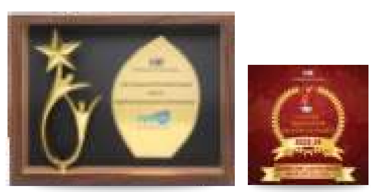
Two CII National Award for Environmental Best Practices – Most Innovative Environmental Project and Innovative Environmental Project

7th CSR Health Impact Award under CSR Health Project (Large Corporate) by IHW Council for Healthcare Project in aspiration district

Pharma Leadership Awards for Excellence in Liver Care, Ayushman liver campaign

Bronze award from IHW Cancer Summit 2024 for the Most Impactful Cancer awareness campaigns in Breast cancer

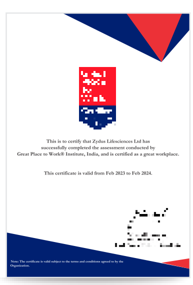
Pharma Innovation of the year Award from the India Pharma Awards for Desidustat for most innovative product



Recognised for 'Significant Achievement in HR Excellence' in the 14th CII National HR Excellence Award 2023-24

At POSH conclave 2024, Zydus won the award for exemplary commitment and leadership for safety at the workplace

In Fortune India's issue on Future Ready Workplaces, Zydus ranked fourth



Received Great Place to Work certification for the third time consecutively

Lipaglyn bagged Economic Times Pharma Award, 2023 for Health Awareness Campaign of the year with 'Diabetes Liver Clinic'

Lipaglyn bagged Grand Prix for Excellence in Marketing Innovation award at ACEF Asian Leaders summit & awards 2023

Lipaglyn bagged Economic Times Brand Equity award 2023 for 'Blow the whistle against MASLD & ADD'

Listed amongst the Best Organisations for Women 2024 by ET NOW

Baddi Manufacturing Plant bagged Confederation of Indian Industry (CII) Silver Award for a case study under Renovative Category at the 46th CII National Kaizen Competition

Goa Manufacturing Plant bagged Confederation of Indian Industry (CII) Gold Award for a case study under Renovative Category at the 46th CII National Kaizen Competition

Moraiya Manufacturing Plant bagged Confederation of Indian Industry (CII) Gold Award for a case study under Restorative Category at the 46th CII National Kaizen Competition

Moraiya Manufacturing Plant bagged Confederation of Indian Industry (CII) Platinum Award for a case study under Innovative Category at the 46th CII National Kaizen Competition

Manufacturing Plant at SEZ bagged Confederation of Indian Industry (CII) Silver Award for a case study under Renovative Category at the 46th CII National Kaizen Competition

Goa Manufacturing Plant bagged Gold certificate from India Manufacturing Excellence Awards (IMEA)2023 for personnel enhancing Manufacturing and Supply Chain Excellence

Bagged Digipharmax Award in Artificial Intelligence and Healthcare

Bagged the Asia Book of Records and the India Book of Records for conducting a nationwide campaign to take a pledge to prevent Thrombophlebitis by maximum nurses across Asia and India

Management Discussion and Analysis

Global Economy

Global economy continued its growth journey during the year 2023 though the growth moderated further to 2.6% viz-a-viz 3% registered during the previous year. In fact, the global growth over the last two years has slowed down after an encouraging 2021 when the global economy made a strong come back from the pandemic induced recession and registered a healthy 6.2% growth. Factors such as tight monetary policies, restrictive financial conditions and weak global trade growth continued to impact the global economic activity during the year.

In terms of region-wise performance, growth in advanced economies slowed down during the year while emerging markets and developing economies (EMDEs) demonstrated steady growth. Despite growth moderation, advanced economies showcased resilience for the most part of the year, slowing down less than previously expected. This was largely attributable to the US, where the growth picked up to 2.5% from 1.9% last year, thanks to the robust consumer spending and expansionary fiscal policy. Growth in the Euro area on the other hand, slowed sharply to 0.4% as high energy prices weighed on household spending and the activities in manufacturing sector. EMDEs grew at the similar pace as that of the last year and posted 4% growth. However, excluding China, growth was 3.2%. In many EMDEs, subdued demand for goods in advanced economies impacted the exports, while elevated interest rates dampened domestic demand.

The table below shows the global growth reported for the calendar year 2022, estimated growth numbers for calendar year 2023 and forecast for the next year:

	2022 Act.	2023 Est.	2024 Forecast
World	**3.0%**	**2.6%**	**2.4%**
Advanced Economies	**2.5%**	**1.5%**	**1.2%**
• US	1.9%	2.5%	1.6%
• Euro Area	3.4%	0.4%	0.7%
• Japan	1.0%	1.8%	0.9%
EMDEs	**3.7%**	**4.0%**	**3.9%**

Global headline and core inflation has been on the downward trajectory from the highs of 2022, though it remains above the target in most advanced economies. Monetary tightening in advanced economies is coming to an end, but real policy interest rates are expected to remain elevated for some time, as inflation returns to target only gradually. This will keep the stance of advanced-economy monetary policies restrictive in the near-term.

Recent geopolitical tensions in the Middle East impacted the global commodity markets which in turn, can affect the global growth adversely. The geopolitical turbulence arises at a time when the global economy is still experiencing the effects of the overlapping shocks of past four years viz. the COVID19 pandemic, Russia's invasion of Ukraine and the rise in inflation and subsequent sharp tightening of global monetary conditions.

Going forward, global growth is expected to slow down further to 2.4% in 2024 which will be the third consecutive year of deceleration. This deceleration reflects softening labour markets, reduced savings buffers, waning pent-up demand for services, the lagged effects of monetary tightening and fiscal consolidation. Advanced economy growth is set to bottom out at 1.2% in 2024 as growth in the US slows, while Euro area growth, which was feeble last year, picks up a bit as lower inflation boosts real wages. EMDEs are expected to maintain the growth momentum in 2024 and register similar growth as that of 2023 (Source: Global Economic Prospects, January, 2024).

Indian Economy

In the post-pandemic era, Indian economy has displayed strong resilience as it is set to register a growth in excess of 7% for the third consecutive year. The achievement is significant considering that most large economies of the world struggled to maintain the growth momentum post the COVID19 pandemic. In fact, amongst the major economies of the world, India has been a standout performer amidst sluggish global growth trends.

>7%

growth for the third consecutive year (FY2022-FY2024)

During the year, consumption remained steady led by urban areas. Going forward, rural demand scenario is likely to improve on account of an expectation of a normal monsoon in FY2025. While consumption was steady during the year, robust investment activity drove growth. The government's sustained thrust on capex continued to crowd in private investment. Strong demand has stirred manufacturing and construction activities and the related services.

India's external sector faced few challenges during the year. While the ongoing geopolitical tensions had their impact, demand for India's exports slowed down in key geographies like Europe on account of tepid growth. However, the reduction in global commodity prices provided the relief as the value of imports have come down during the year despite a substantial increase in import volumes. Overall, positive impact of the drop in the value of imports outweighed the negative impact of a decline in exports and resulted in narrowing of the merchandise trade deficit. India's services exports have been consistently rising, leading to an increase in net services receipts. Going forward, narrowing merchandise trade deficit, coupled with rising net services receipts, is expected to result in an improvement in the current account deficit.

Retail inflation has remained inside the Reserve Bank of India's (RBI's) tolerance range for the most part of the year. Moderation in core inflation (non-food, non-fuel items) continues to keep inflation under control. Overall, during the year, inflation was 5.4%, lower than 6.8% recorded during the previous year FY2023. Headline inflation also stayed below 6% for the most part of the year despite price volatility in certain specific food items.

Indian economy closed the current financial year on a positive note on account of strong growth accompanied by stable inflation and external account. Outlook for the Indian economy looks encouraging in FY2025 despite a few indications of headwinds like hardening crude oil prices and global supply chain bottlenecks to trade (Source: Monthly Economic Reports, Department of Economic Affairs and Global Economic Prospects).

According to the World Bank report, Indian economy is likely to maintain the growth momentum with an estimated 6.6% growth in FY2025 and will remain the fastest growing economy across the world.

likely to be

the fastest

growing economy in FY2025 as per World Bank

Global Pharmaceutical Industry

Global pharmaceutical industry grew by 8% in 2023 and is worth US$ 1.61 tn now. Going forward, global medicine spending is expected to grow in mid to high-single digit viz-a-viz an earlier expectation of low to mid-single digit growth and reach approximately US$ 2.3 tn by 2028. Year 2023 witnessed significant shift in the usage of medicines and acceleration in spending across geographies which led to an increase in outlook for medicine spending through 2028. The spending and volume growth will vary considerably across the regions.

US$ 1.61 tn
value of global pharmaceutical industry

The largest driver of growth in medicine spending over the next five years is still expected to be the availability and use of innovative therapeutics in developed markets to be offset by losses of exclusivity and the lower costs of generics and biosimilars.

In terms of volume, consumption of medicines globally continues to expand with a 14% growth over the last five years driven mainly by increased access to medicines across regions. In terms of therapies, immunology, endocrinology and oncology have exceeded the 14% growth over last five years, driven primarily by substantial numbers of novel products and wider access to them across geographies. Going forward, consumption volume is expected to grow by a further 12% through 2028, to be driven by increased usage in China, India and other Asian markets.

12%
growth in consumption of medicines through 2028

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

	Current Size (CY23) - US$ bn	CAGR 2019-23	Est. Size (CY28) - US$ bn	Est. CAGR 2023-28
Developed Markets	1275	7.2%	1775 - 1805	5-8%
Pharmerging Markets	304	7.8%	400 - 430	10-13%
Low-income Countries	28	5.6%	33-37	3-6%
Total	**1607**	**7.3%**	**2225 - 2255**	**6-9%**

Global medicine spending is expected to grow by more than US$ 600 bn over next five years, driven by existing branded medicines in the leading ten developed markets, which will grow by US$ 385 bn. New products will add US$ 193 bn but will be offset by the impact of patent expiries, removing US$ 192 bn. Other developed markets and fast-growing pharmerging markets will together add another US$ 184 bn.

Specialty medicines outlook

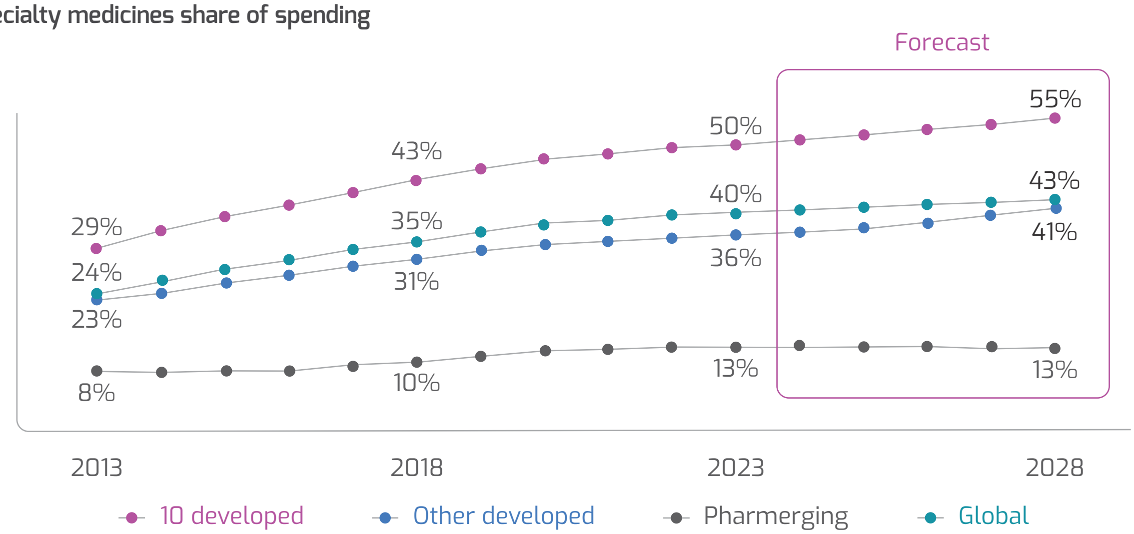
Share of specialty medicines in global medicines spending has gone up significantly over the last decade from 24% in 2013 to 40% in 2023. Specialty medicines are the ones that treat chronic, complex and rare diseases and are more expensive compared to other traditional medicines. Top ten largest developed countries have been the key drivers of specialty medicines over the last decade. In those countries, the share of specialty medicines spending has gone up to 50% in 2023 from 29% a decade ago. Over next five years, share of specialty medicines is likely to go up to 43% of the total spending globally as compared to 40% in 2023 with more than half of spending likely to come from major developed markets.

~43%

share of specialty medicines in global medicines spending in 2028

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

Specialty medicines share of spending



Source: IQVIA Institute, Dec 2023.

Global biotech outlook

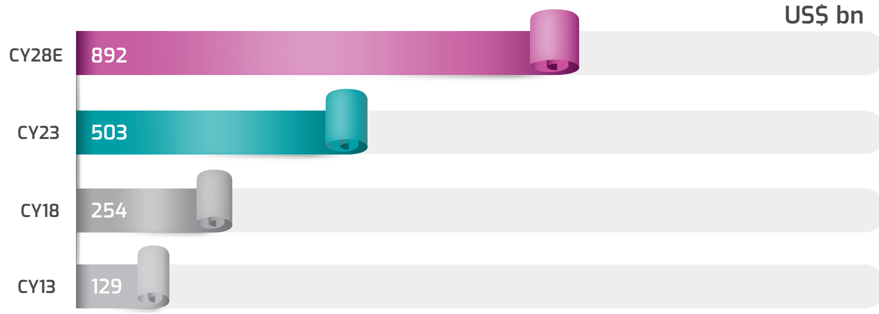
Biotech has emerged as one of the key drivers of pharma spending over the last decade. Spending on biotech products has grown at a robust CAGR of 15% during last decade and stood at US$ 503 bn in 2023, accounting for over 30% of the total global pharma market. Over next five years, biotech spending is likely to continue its growth momentum albeit at a bit slower pace viz-a-viz the previous decade and exceed US$ 890 bn by 2028. Spending growth is likely to cool off a bit and remain in the range of 9.5-12.5% on account of the impact of key biosimilars, especially in developed markets. Continued flow of new medicines however, is likely to aid the growth going forward.

robust
15%
CAGR over last decade

Therapy-wise outlook

In terms of therapies, oncology and immunology are expected to continue leading the chart in terms of spending over next five years. In terms of growth though, oncology and obesity will be the fastest growing therapies while immunology is expected to grow slowly on account of launch of biosimilars. Oncology is expected to grow in the range of 14-17% CAGR over next 5 years as novel treatment options continue to be launched for the treatment of cancer. Obesity segment is likely to grow at the fastest pace with a CAGR of 24-27% as highly effective treatments have become available and are expected to gain wider usage across many countries (Source: IQVIA Global Use of Medicines, January 2024).

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



~ 14-17%
CAGR over next five years in oncology segment

Indian Pharmaceutical Industry

Indian pharmaceutical market (IPM) is one of the fastest growing pharmaceutical markets across the globe as the market has delivered a compounded annual double-digit growth over the last decade. The growth was significant considering the fact that the industry faced several headwinds during last few years.

Double digit
growth over last decade

The market is likely to maintain the growth momentum going forward with an estimated high single digit / double digit growth over next five years and reach the size of US$ 38-42 bn (Source: IQVIA Report). Factors such as large population, increased government spending on healthcare, accommodative government policy, penetration of health insurance coverage, rise in disposable income and increased life-style related disorders make India one of the most promising pharmaceutical markets in the world.

US$ 38-42 bn
estimated size of Indian pharma market over next five years

During the year gone by, IPM registered growth of 7.6%. Growth during the year was largely driven by price increases and new products as volumes displayed muted growth during the year. In fact, the volume growth in IPM remained flat over last two years.

In terms of therapeutic performance, chronic therapies grew by 9.7% during the year and outpaced the growth of acute therapies. Cardiac was the largest therapeutic area during the year followed by anti-infectives.

Therapeutic area-wise break-up of India pharma market is as under:

Therapy area	Sales in FY 2024 (₹ bn)	Therapy Contribution	YoY Growth
Cardiac	269.5	12.5%	10.0%
Anti-Infectives	243.3	11.3%	4.7%
Gastro-Intestinal	228.6	10.6%	7.2%
Anti-Diabetic	191.3	8.9%	6.0%
Respiratory	178.2	8.2%	2.7%
Pain/Analgesics	172.3	8.0%	8.1%
Vitamins/Minerals/Nutrients	169.0	7.8%	7.3%
Derma	148.6	6.9%	6.2%
Neuro/CNS	129.5	6.0%	8.5%
Gynaecology	108.6	5.0%	6.3%
Others	322.3	14.9%	12.8%
IPM - Total	**2,160.9**	**100.0%**	**7.6%**

(Source: IQVIA MAT March 2024 Report).

Leadership in the global generics market

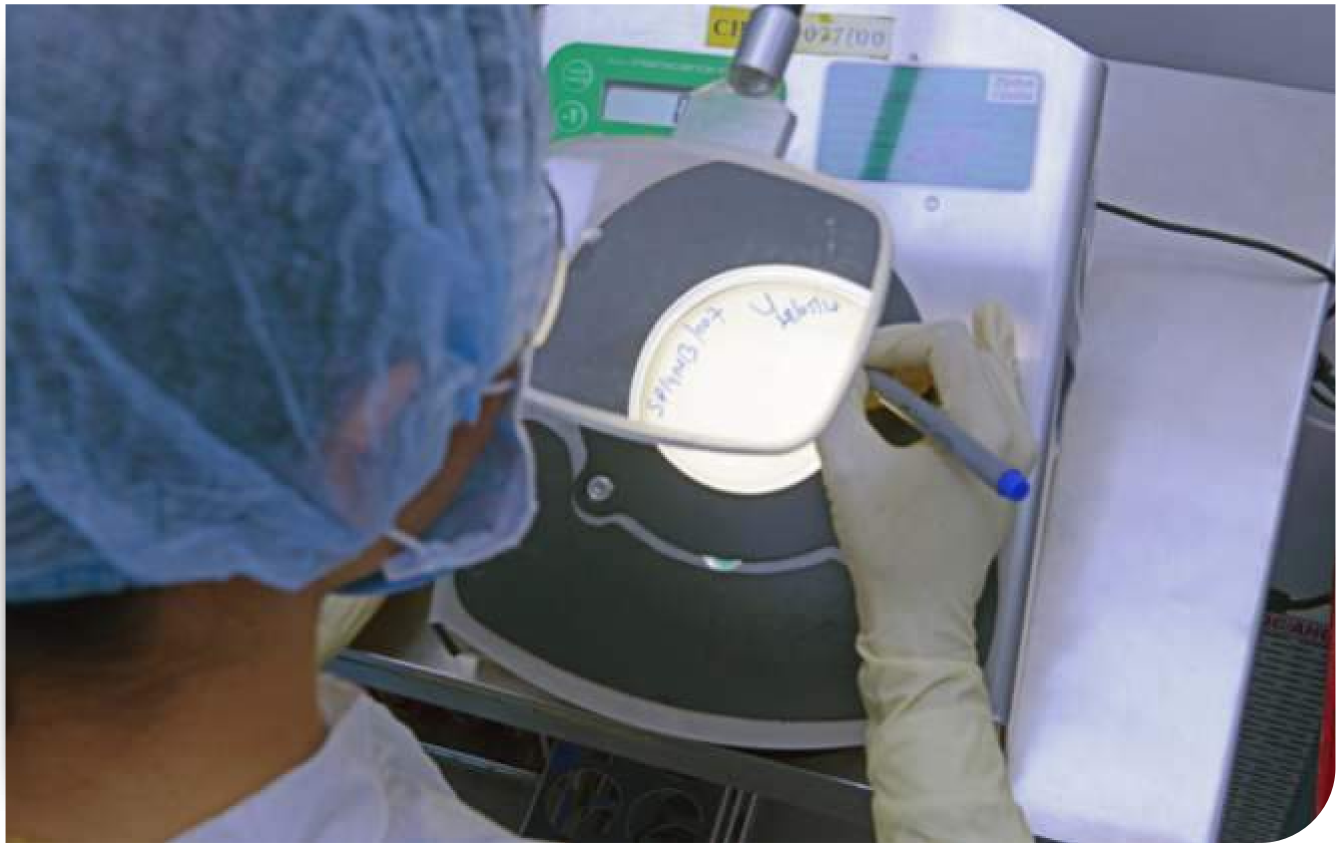
Indian pharmaceutical industry ranks third globally in terms of production volume and plays a prominent role in the global pharmaceutical industry. Major segments of Indian pharma industry are generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing and biological products. India is the largest supplier of generic medicines as it manufactures about 60000 different generic brands across 60 therapeutic categories and accounts for 20% of the global supply of generics. India supplies over 50% of Africa's requirement for generics, ~40% of generic demand in the US and ~25% of all medicines in the UK. The country has the highest number of USFDA inspected plants outside the US and is home to over 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool. In terms of production of vaccines, India accounts for majority of global vaccine production and accounts for a large chunk of WHO demand for DPT, BCG and measles vaccines. Indian pharma sector forms a major component of the country's foreign trade and has been consistently generating the trade surplus over last many years. During the year, the sector generated exports worth US$ 27.8 bn with a growth of 10% over the previous year. The US was the largest export destination accounting for over 31% of overall exports (Source: Industry Reports).

- **Largest generic supplier across the globe**
- **Accounts for majority of global vaccine production**

Zydus Lifesciences Ltd. – Overview

Zydus Lifesciences Ltd. is an innovative, global lifesciences company that discovers, develops, manufactures and markets a broad range of healthcare therapies with an overarching purpose of empowering people with freedom to live healthier and more fulfilled lives. Product portfolio of the Company includes finished dosage human formulations (generics, branded generics and specialty formulations, including biosimilars and vaccines), active pharmaceutical ingredients ("APIs"), animal healthcare products and consumer wellness products. Innovation is at the core of the Company's thought process with an aim to make a difference in the world of health and care. The Company caters to the diverse needs of its customers across the globe as it supplies its products in the United States, India, Europe and emerging markets including countries in Latin America, Asia Pacific region and Africa. The Company has a pool of 37 manufacturing facilities that adhere to stringent regulatory compliance standards and have capabilities to manufacture diverse dosage forms at scale, offering cost-effective and high quality pharmaceutical products to customers worldwide.

Innovation – The Growth Engine For Future



Innovation has been the cornerstone of the Company's success over the years. The Company invests its resources optimally to ensure that it continues to evolve as a progressive life sciences company. The Company will continue to drive the innovation agenda going forward as it reinforces its commitment to being dedicated to life and improving health outcomes of people globally. Even as the Company continues to expand the businesses in generic and branded formulations space, the innovation engines continue to progress in the novel drug discovery, vaccines, biosimilars and new dosage form development areas. The Company has achieved a notable success in the innovation space as some of its efforts have already completed full development cycle, with products like Lipaglyn® and Bilypsa® (saroglitizar), Oxemia™ (desidustat), Ujvira™ (biosimilar of Kadcyla®), Exemptia™ (first launched biosimilar of adalimumab globally) completing the life cycle journey from the laboratory to market, and going strong.

Investments on research and development (R&D), over the years have continued to scale up, and more so in recent years as some of the differentiated products have advanced and entered clinical phases of development.

The Company's innovation program is spearheaded by over 1,400 researchers across its 8 state-of-the-art R&D centres. The Company invests approximately 7 to 8% of its annual revenues on R&D. Adoption of advancement in technology, digitalisation, improved knowhow and competencies enable the Company to progress further in diverse areas from NCEs to vaccines, biosimilars, niche technologies and to generic product development. The Company's relentless pursuit of innovation helps to progress further in its mission to impact human lives with better health outcomes by ensuring that the high quality and effective products reach the patients globally.

1,400+
scientists

8
R&D centres

7-8%
of annual revenues invested on R&D

The Company continues to invest in generics R&D pipeline build-up with a higher focus incrementally on more differentiated products across diversified dosage forms including drug-device combination products. The generics R&D efforts which are largely centralised at PTC (Pharmaceutical Technology Centre) in Ahmedabad, India have always focused on agility, execution and efficiency. Consequently, the Company has been able to file at a significantly higher pace relative to industry standards in a very prudent and cost-efficient manner. PTC is responsible for generic dosage formulations development for the global businesses, including US, India, Europe and Emerging Markets.

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

New Chemical Entity (NCE) Research

Driven by a commitment to address unmet healthcare needs of the patients globally and improve their health outcomes, the Company has, over the years, created a robust pipeline of New Chemical Entities (NCEs) across different therapeutic areas. Zydus Research Centre (ZRC), a dedicated research arm of the Company based in Ahmedabad, spearheads the Company's NCE research initiatives. The Centre houses a team of around 500 scientists (incl. around 100 for biotech research) and has the capabilities to conduct drug discovery and development from concept to Investigational New Drug (IND) enabling preclinical and clinical studies. Focused therapeutic areas of NCE research include cardio-metabolic illnesses, oncology, inflammation, fibrosis and infectious diseases.

During the year gone by, the molecules, which are under development, progressed along the expected lines.

~400
scientists for NCE research

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

Lipaglyn® and Bilypsa® (Saroglitazar Mg)

The Company has been supplying the molecule in India over last several years under the brand names Lipaglyn® and Bilypsa® for multiple indications viz. Diabetic Dyslipidemia, Hypertriglyceridemia, Metabolic Dysfunction-Associated Fatty Liver Disease (MAFLD) and Metabolic Dysfunction-Associated Steatohepatitis (MASH). The patient base for these two brands continued to expand during the year. In order to generate real world evidence, the Company initiated EVIDENCES-XI phase IV clinical trials in India in MAFLD patients with comorbidities. The study would enroll approximately 1,500 patients. Duration of the study is approximately 56 weeks. The primary endpoint is to measure the change in liver stiffness performed by transient elastography from baseline to week 52.

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

Primary Biliary Cholangitis (PBC)

- Initiated global pivotal Phase II(b)/ III clinical trials viz. EPIC-III™ during FY2022.
- Patient recruitment was completed during the year.
- The trials would study the effects of a molecule relative to placebo over 52 weeks across 100 sites.
- The molecule holds an Orphan Drug Designation (ODD) from both the USFDA and the EMA and Fast-Track Designation from the USFDA.
- Completed hepatic impairment studies in 24 Cirrhotic Cholestatic patients. Outcome of the studies published in Clinical Pharmacology in Drug Development (CPDD).

Metabolic Dysfunction-Associated Steatohepatitis (MASH)

- USFDA approved Phase II(b) clinical trials protocol in FY2022.
- The protocol encompassed 52 weeks paired biopsy study to evaluate resolution of MASH and F2/F3 Fibrosis.
- Phase II(b) clinical trials viz. EVIDENCES-X™ trials to evaluate the efficacy and safety of the molecule are going on at present.

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

- Clinical trials currently underway in the US.
- Only trial in the world going on at present for these indications.

Oxemia™ (Desidustat)

The Company launched its second NCE viz. Desidustat in India under the brand name Oxemia™ in 2022. The molecule is indicated for the treatment of anaemia in chronic kidney disease (CKD) patients both on dialysis and not on dialysis. Desidustat is an oral therapy and provides an alternative to injectable erythropoietin-stimulating agents (ESAs), thereby giving CKD patients a convenient option for the treatment of anaemia. Following are the key updates during the year gone by.

India Market

- Phase IV clinical trials viz. DREAM-CKD to generate real world evidence of the molecule in patients with CKD induced anaemia is going on at present.
- The study would evaluate the safety of the molecule over a period of 52 weeks.

Global Markets

- In 2020, granted an exclusive license to the molecule to China Medical System Holdings Limited (CMS) for China, Hong Kong, Macau and Taiwan markets.
- During the year, Chinese licensing partner CMS received acceptance from the Chinese regulatory authority for a new drug application (NDA) of the molecule.

Usnoflast

During the year, WHO International Non-proprietary Names (INN) approved "Usnoflast" as the recommended name for ZYIL1. Usnoflast is a novel, oral, small molecule, NLRP3 inhibitor and highly potent in human whole blood assay and can suppress inflammation caused by the NLRP3 inflammasome. At present, Usnoflast is undergoing clinical development for four indications viz. Amyotrophic Lateral Sclerosis (ALS), Parkinson's disease, Cryopyrin-Associated Periodic Syndromes (CAPS) and Ulcerative Colitis (UC). Following are the key updates for these indications.

Amyotrophic Lateral Sclerosis (ALS)

- Phase II clinical trials are going on at present.
- ALS affects approximately 31,000 people in the US and on an average 5,000 new patients are diagnosed every year with this disease in the US.
- More than 30,000 people are estimated to be living with ALS in Europe while India has an estimated 75,000 people living with ALS.
- People living with ALS have a median survival of approximately two years from diagnosis.

Parkinson's Disease

- Recently received the USFDA approval to initiate phase II clinical trials in patients with Parkinson's disease.
- It is estimated that there are over 8.5 mn people world-wide suffering from Parkinson's disease, with 1 mn suffering from the disease in the US.
- Each year 90,000 new cases of Parkinson's disease are reported in the US.

Cryopyrin-Associated Periodic Syndromes (CAPS)

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

Ulcerative Colitis (UC)

- Initiated phase II proof-of-concept study of the molecule in patients with UC.
- UC is characterized by an irregular, chronic immune response that creates inflammation and ulcers in the mucosa of the large intestine or rectum.
- In 2023, the prevalence of UC was estimated to be 5 mn cases world-wide.

ZY19489 (Potential single dose anti-malarial drug)

ZY19489 is a novel anti-malarial compound which is fast-acting and effective against both P. falciparum and P. vivax strains of malarial parasites. It is being developed to provide an effective alternative to the current front-line antimalarial drugs, as artemisinin-based combination therapies (ACTs) face the risk of resistance. During the year, the Company completed phase II clinical trials in India and submitted the protocol to DCGI to initiate Phase III studies.

Biologics

The Company has built one of the most comprehensive and diverse portfolios of biological products on the back of concentrated efforts put in over the years. The portfolio consists of 30 compounds, including 8 novel biologics and 22 biosimilars and spans across multiple therapies such as oncology, autoimmune disease, nephrology, inflammation, rheumatology, hepatology and infectious illnesses. Building such a diverse portfolio in biotech research speaks volumes about the Company's commitment to innovation and improving healthcare. In terms of geographical presence, the Company caters to the patients of India and different emerging market countries and has commercialised 13 products (including one novel biologic) so far. Going forward, oncology will be the most significant therapeutic area, accounting for the majority of the under-development portfolio. An update with respect to the progress made on biotech R&D front during the year for different geographies is given below:

8
novel biologics

22
biosimilars

India Market

- Received marketing authorisation for Pertuzumab biosimilar.
- Rituximab - Applied for marketing authorisation in FY2022. Dossier being reviewed by DCGI.
- Completed Phase III clinical trials of one monoclonal antibody (mAb).
- Initiated Phase III clinical trials for one product.
- Completed pre-clinical studies for one mAb and applied for no objection certificate (NOC) to Review Committee on Genetic Manipulation (RCGM).
- On the novel biologics front, completed animal toxicity studies for one of the molecules and applied for Phase I clinical trials approval.

Emerging Markets

- Continues to file dossiers of various biosimilars, which were developed for India market, in different emerging market countries.
- Russia, Mexico, Algeria, Philippines, Morocco and South Africa will be the major markets for the Company.
- Received GMP approval for the mAb drug substance facility from Tanzania Food and Drug Authority.
- Received marketing approval for different biosimilars from different regulatory authorities viz. Renocrit and Bonmax PTH for Nepal, Trastuzumab and Adalimumab for Ecuador and Bevacizumab for Myanmar market.

Vaccines

The Company's initiatives in the area of vaccines research and development are driven by Vaccines Technology Centre (VTC) based out of Ahmedabad. VTC is engaged in developing the vaccines for basic vaccination programs and has also ventured into novel vaccines for certain lifestyle disorders. The Company has so far received marketing authorisation for seventeen vaccines which include rabies vaccine, measles containing vaccines, flu vaccines, typhoid vaccines, pentavalent vaccine and Hepatitis B vaccine. In addition to the above approved vaccines, there are a few vaccines such as Hepatitis A vaccine, Hepatitis E vaccine, MMRV vaccine and Bivalent Typhoid and Paratyphoid A Conjugate vaccine which are undergoing clinical trials and several vaccines are in pre-clinical stage.

During the year, the Company initiated Phase IV clinical trials in healthy subjects to evaluate immunological non-interference of Typhoid Conjugate vaccine with Yellow Fever vaccine. The Company also submitted clinical study report of Phase IV clinical trials which were conducted to evaluate the non-interference of Typhoid Vi Conjugate vaccine with Measles and Rubella (MR) vaccine in healthy infants to CDSCO.

With respect to measles containing vaccines, post marketing surveillance study to assess the safety of MR vaccine in subjects aged 9-12 months was completed and report was submitted to CDSCO.

The Company submitted marketing authorisation application to CDSCO for manufacturing MR drug substance from the newly constructed MR block.

The Company modified drug substance and drug product manufacturing processes of rabies vaccine which led to better productivity. The new process has been approved both by CDSCO and WHO pre-qualification team.

On the novel vaccine development front, Phase II clinical trials are going on for Hepatitis E vaccine while for Bivalent Typhoid and Paratyphoid A Conjugate vaccine, the Company has successfully completed pre-clinical toxicity studies and applied for Phase I clinical trials approval.

On the global development front, the Company has already submitted the dossier of Typhoid Conjugate vaccine for the purpose of pre-qualification.

Going forward, the Company intends to penetrate the high-volume public market in India. Post WHO pre-qualification, the Company intends to service the global markets over the medium term.

17

vaccines hold marketing authorisation in India

Specialty And Complex Generics

The Company has been building a portfolio of specialty products to cater to the unmet healthcare needs of the patients globally and in turn, enhance the value proposition to them. The Company has relied upon in-house development efforts as well as resorted to inorganic moves to build the specialty portfolio.

On an in-house development front, the Company has developed a portfolio of eight products, including one in orphan disease space through 505(b)(2) route for the US market. The focused therapy areas are Pain Management, Neurology, Metabolic Disorders and Liver Diseases. FY2024 was an encouraging year for the Company's efforts on 505(b)(2) front as the Company received the USFDA approval for two NDAs viz. Sitagliptin tablets (ZITUVIO™) and Sitagliptin and Metformin IR tablets (ZITUVIMET™) in the area of metabolic disorder management. The Company also filed one more NDA viz. Sitagliptin and Metformin ER tablets in the area of metabolic disorder management and completed the franchise of Sitagliptin (combinations) during the year.

2

NDAs approved by the USFDA

On an inorganic front, during the year, the Company acquired UK headquartered LiqMeds Group of companies which has unique capabilities in delivering novel liquid orals. The acquired entity has a healthy pipeline of liquid orals which comprises of a number of 505(b)(2) and FTF/ FTM products. US and UK are the key markets at present. Going forward, the Company will expand its offerings of liquid orals to the other countries of international markets as well.

Orphan and ultra-rare diseases is a niche, focused area of the Company's US Specialty business. Recently, in the month of May, 2024, the Company's wholly owned subsidiary Sentynl Therapeutics Inc. USA (Sentynl) acquired worldwide proprietary rights to Zokinvy® (Lonafarnib) for treatment of Hutchinson-Gilford Progeria Syndrome from Eiger Biopharmaceuticals. With this acquisition, Sentynl has acquired three assets in this space so far.

The table below contains the status of three acquired assets:

Molecule Name	Indication	Current Status
CUTX 101 (Copper Histidinate Product)	Menkes disease	• Orphan Drug and Fast-Track Designation by the USFDA • Completed asset transfer and acquired worldwide proprietary rights and USFDA documents from Cyprium Therapeutics • NDA submission under progress, expect to complete the filing in calendar year 2024
NULIBRY® (Fosdenopterin) for Injection	Molybdenum Cofactor Deficiency (MoCD) Type A	• Orphan Drug Designation by the USFDA • Marketing authorization in the US and EU • Recently, in the month of April, 2024, received marketing authorization from the UK MHRA as well • Finalized negotiation of Pan European/UK distribution agreement
Zokinvy® (Lonafarnib)	Hutchinson-Gilford Progeria Syndrome	• Acquisition of worldwide proprietary rights from Eiger Biopharmaceuticals • Approved in the US, EU, Great Britain and Japan

The Company is working to extend its expertise from traditional generics to complex generics products which will drive future growth in the US. Development of complex generics poses a number of challenges right from the stage of API availability till the scale-up and in turn, make them attractive, low competition opportunities. Such opportunities help to counter the challenges associated with the US generic market in the form of continued price erosion in the base portfolio. The Company has entered into partnerships for some of these products to expedite the development timelines and favorably balance the associated risks and investments. Currently, several complex generics, such as modified release oral solids, complex injectables, transdermal patches and drug-device combinations are either under registration and/ or under development, for the US market. Till date, the Company has successfully in-licensed 31 products, addressing a market size of ~ US$ 58 bn (Source: IQVIA MAT February, 2024).

31

products successfully in-licenced till date

Global Generics Development

The Company's efforts on the generics development front are driven by three Pharmaceutical Technology Centres (PTCs) located in Ahmedabad, India. These centres house over 700 scientists and are responsible for developing a robust product portfolio for different markets in a timely, cost effective and regulatory complaint manner. These centres comprise of different clusters with each cluster being responsible to meet the demand of a specific market to bring in the desired focused approach. The US, India and other international markets comprising of different countries of Emerging Markets and Europe are the key generic markets for the Company.

For the US market, over the years, the Company has moved up the value chain by developing and filing incrementally higher proportion of complex products with a focus on first to file as well as first to market opportunities. The Company has put in place a mechanism to critically review all new product dossiers before submitting the same to regulatory authorities and provide speedy response to queries raised by regulators on product dossiers to expediate the approvals. For India market, in addition to delivering me-too kind of products, the Company has created a pipeline of First-in-India, Day 1 launches and next generation drug delivery platforms across focused therapies to drive the growth going forward. For other international markets, the Company leverages its existing rich pipeline to expedite filings in different countries to support them in expanding their product offerings.

PTCs have diligently worked on the Leveraging and Harmonisation of products in other international markets from the reference market, which has resulted in reducing the development timeline and cost. Under the Harmonisation approach, if during the early stage of development of a product, it is identified as a product to be supplied to multiple markets then, the product development meets the requirements of all geographies. If a product is already developed for a particular market and subsequently, it is identified for another market then, the Leveraging approach is followed. Under this approach, the development knowledge and dossier developed for one market will be extended to other markets with minimum changes.

700+

scientists focused on generic development

Digital Initiatives – To Empower and Enrich the Future

Digitalisation is one of the major trends changing the landscape for the businesses. Digitalisation also known as digital transformation is the rewiring of an organisation with the goal of creating value by continuously deploying the technology at scale. Digital transformation is the best way to empower different parts of the Company as it generates faster, simpler and more efficient processes and workflows. It offers multiple benefits in the form of increased agility and productivity, efficient resource allocation, improved competitive advantage, better cost management and revenue growth and in turn, creates enhanced value for all the stakeholders. Over the years, the Company has embraced the digital transformation journey through the adoption of various digital tools and practices and in turn, has successfully generated greater value to all the stakeholders. The Company continuously endeavours to deliver better health solutions to its customers globally by successfully leveraging the digitalisation.

Here is an overview of key digitalisation initiatives being undertaken by the Company across different functions:

India Formulations Business

The Company is one of the largest players in the IPM with a strong presence across therapies. The Company has deployed different digital tools to effectively manage field-force operations and enhance the engagement with all the stakeholders. A summary of key digital initiatives is given below:

- Use of an analytical tool to generate data-driven insights. This will aid in enhancing engagement with prescribers and create better brand visibility and re-call. The tool helps to device effective communication strategy by focusing on specialty-specific priorities.
- Various customer centric developments provided better understanding of customers and in turn, helped to serve them better.
- Feedback from the prescribers helped to drive improvement in brand communication and strategy.
- Use of digital coaching module to assist the field managers in assessing the capabilities of their team members in terms of product knowledge and capabilities, providing the feedback to them and supporting on the job learning.

Supply Chain

Over the years, the Company has undertaken several digitalisation initiatives in the area of supply chain to enhance the efficiency and agility of the operations. These initiatives include end-to-end digitalisation of supply chain under the project Planning And Collaboration Excellence (PACE), strengthening master data structure of different functions through project SEED, adoption of digitally integrated vendor platform in the area of procurement, leveraging the power of analytics through power BI and implementation of Export Import digital documents automation using Artificial Intelligence. Key ones among these initiatives are project PACE, project SEED and adoption of digital tools in the area of procurement.

Project PACE

- Advanced data analytics and machine learning algorithms provide detailed insights about demand and forecast patterns, production capacities and material shortages.
- Provides real-time visibility to enable data driven decisions resulting in improved forecast accuracy, reduce stock-outs and enhanced customer satisfaction.

Project SEED

- SAP based centralised solution to strengthen the master data of various functions to ensure greater control, accuracy and accessibility to critical information.
- Successfully rolled out 21 CFR compliant Material Master Data (SEED) framework.

Procurement Digitalisation

- Digitally integrated vendor platform for on-time communications, seamless process flows, vendor evaluation /ratings based on performance and ESG parameters.

The Company is working towards building core digital, advanced analytics and AI/ML capabilities to lower cost, enhance inventory health and develop advanced AI/ML predictive solutions tailored for all markets.

SAP S/4 HANA implementation

The Company is rapidly progressing towards implementation of SAP S/4 HANA across the enterprise. The project is expected to become operational during the current financial year. Key benefits of this initiative are:

- Enhanced speed of execution leading to better productivity
- Harmonisation and simplification of practices across functions
- Improved decision-making capabilities through the use of advanced analytical tools
- Real-time tracking of different stages of manufacturing processes and digitalisation of shop floor activities

Research and Development

R&D team has developed a project management tool “IRIS” to get an end-to-end visibility of the project starting from product nomination to successful launch of the product. IRIS is a customized digital tool that is positioned for cross functional collaboration for developing and launching new products in different markets. The tool mainly covers two modules viz. new product development (NPD) and new product launch (NPL). The Company has made a significant progress on tool development and successfully completed the first phase i.e., the implementation of NPD module. The Company is working towards developing the next phase of the tool viz. NPL module which is expected to be over during the current calendar year. IRIS will help to manage the projects in a more effective manner by ensuring timelines and accountability for new product development. It provides management dashboards for tracking the status of various projects and the risks and costs associated with them.

Technical Operations

The Company has undertaken number of digitalisation initiatives in the area of technical operations through the adoption of advanced technological tools. These initiatives are aimed at real-time data generation to assist in well-informed decision-making, automating different processes and ensuring consistency across locations. Digitalisation also helps to improve the compliance by providing greater control over the operations. Here is the list of key digital initiatives taken by the Company in the area of technical operations:

- Creation of multiple dashboards to have real-time data analytics by integrating them with different softwares.
- Automation of high volume, repetitive tasks using virtual bots to complete those tasks more rapidly and consistently.
- Leveraging the digital performance management tool to monitor and improve the performance of each function by tracking key matrices associated with each function.
- In the laboratories, implemented Laboratory Information Management System (LIMS) to connect all the systems to software and ensure data integrity.
- Creation of a seamless interface between track-wise software and SAP automating the retrieval of material master and employee master details. This initiative aims to incorporate a batch release checklist logic in SAP, utilizing information obtained from Track-wise.
- Implementation of an HR analytics tool to visualise organisation structure and span of control across each layer. Benchmarking the same with peers provides insights into the industry practices.

Consolidated Financial Highlights

The financial statements for the current financial year and the comparative financial statements of previous financial year have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

Total Income from Operations

13%
growth in FY2024

Total income from operations grew by 13% to ₹ 195.5 bn from ₹ 172.4 bn last year. US formulations business, which was the largest contributor to the consolidated revenues, grew by 17% and registered sales of ₹ 86,851 mn during the year. India geography, which comprises of formulations and consumer wellness businesses and which was the second largest contributor to the consolidated revenues, grew by 7% to ₹ 76,707 mn.

Profits and Margins

27.5%
EBITDA margin in FY2024

EBITDA (Earnings before Interest, Taxation, Depreciation and Amortization) grew by 40% to ₹ 53,843 mn from ₹ 38,599 mn last year. EBITDA margins expanded significantly during the year and stood at 27.5% of revenues, which is an improvement of 510 bps over the previous year. Net profit for the year was ₹ 38,595 mn, up 97% over last year.

Debt

Net debt free
as on 31st march, 2024

The Company continued to hold net cash position as on 31st March, 2024 as it had a net cash of ₹ 8,561 mn as on 31st March, 2024 vs. ₹ 5,461 mn as on 31st March, 2023. Net debt-equity ratio was -0.04 as on March 31, 2024 as against -0.03 as on March 31, 2023. Net debt to EBITDA ratio for the year was -0.16 as against -0.14 in FY2023.

Fixed Assets and Capital Expenditure

The consolidated gross block (including capital work in progress) at the end of the year was ₹ 223.5 bn, up by about ₹ 28 bn, from ₹ 195.5 bn last year. The increase was on account of acquisition of LiqMeds group of companies, API manufacturing facility at Ambernath from Watson Pharma and organic capex. Net capital expenditure, including capital work in progress but excluding acquisition related spend, during the year was ₹ 8.6 bn. The capex during the year was incurred mainly for creation of new facilities and upgradation and capacity expansion of existing facilities.

Return on Net Worth

20.6%
return on Net Worth in FY2024

Return on net worth, excluding exceptional items and profit from discontinued operations, improved by 570 bps for FY2024 and stood at 20.6% viz-a-viz 14.9% during FY2023. Improvement in return on net worth was largely driven by improvement in profitability during the year.

Capital Employed and Operating Efficiency

23%
ROCE in FY2024

Total Capital Employed (CE) at the end of the year was ₹ 228.7 bn, up from ₹ 208.5 bn, at the end of the previous year. Increase in capital employed was mainly on account of increase in total equity. Return on Capital Employed (ROCE = Adjusted earnings before interest / Average CE) improved by 750 bps during the year and stood at 23% viz-a-viz 15.5% registered during the previous financial year. Improvement in ROCE was mainly on account of higher growth in profit during the year.

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

India Geography

Formulations Business

The Company's formulations business in India has been one of the key pillars and has played a pivotal role in its growth journey. The business has grown consistently over the years on the back of focused brand building initiatives, enhanced reach, new product launches, deepening presence in newer therapies and leveraging the Company's innovation engine to offer novel healthcare solutions to the patients. The business was the second largest contributor to the overall revenues during the year, accounting for 28% of the total business.

FY2024 was an encouraging year for the Company's India formulations business. The branded prescription business sustained the growth momentum through the year, outpacing the market. Double digit growth in this business during the year was driven by healthy volume growth along with new product launches. Strategic interventions done in the recent past have started to deliver results as the branded formulations business maintained double digit growth over the last couple of years. Seven of the Company's brands were ranked amongst the Top 300 brands of the IPM during the year. Out of all the brands currently being marketed, 9 brands recorded sales in excess of ₹ 1,000 mn, 22 brands recorded sales between ₹ 500 to ₹ 1,000 mn while 34 brands recorded sales between ₹ 250 to ₹ 500 mn (Source: IQVIA MAT March 2024 Report). Ongoing brand building initiatives will ensure that this tally continues to improve in the coming years. A table is given below which depicts the success of the Company's brand building initiatives over the years.

7
brands among top 300 brands

9
brands recorded sales in excess of ₹ 1,000 mn

22
brands recorded sales between ₹ 500 to ₹ 1,000 mn

Brand Value	#Brands - MAT Mar 20	#Brands - MAT Mar 24
>₹ 1,000 mn	4	9
₹ 500-1,000 mn	12	22
₹ 250-500 mn	29	34
Total	**45**	**65**

(Source: IQVIA Data)

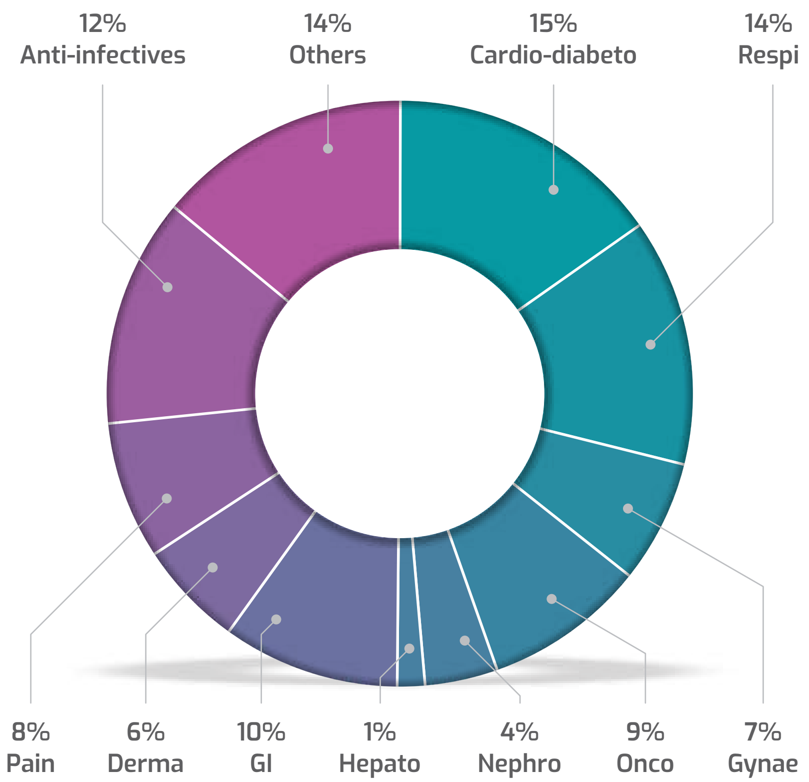
Cardiology, Anti-Diabetes, Respiratory, Gynaecology, Gastro-Intestinal, Dermatology and super specialty areas of Oncology and Nephrology are the focused therapy areas for the Company. During the year, the Company grew faster than the IPM in Anti-Diabetic, Anti-Infectives, Pain Management, Respiratory and Oncology therapies. Contribution of chronic portfolio in overall India formulations revenues has gone up consistently over the years and stood at 41.2% in FY2024 which is an improvement of 360 bps over the last 3 years.

Therapeutic area-wise break up of Company's formulations sales in India as per IQVIA MAT March 2024 is as under:

The Company continued to channelise its efforts and resources towards strengthening the presence in focused therapeutic areas through multiple levers. The Company has identified select flagship brands also known as Growth Booster brands. These brands have displayed strong traction and were one of the key growth drivers during the year. Focused brand building initiatives will scale up more brands and ensure that Growth Booster brands will gain share in their respective covered market, thereby improving growth trajectory for the overall business .

41.2%

chronic share in FY2024, up 360 bps over last 3 years



Over the years, the Company has created a robust pipeline of New Chemical Entities (NCEs) and biosimilars to cater to the unmet healthcare needs of the patients. The Company has leveraged its innovation capabilities to ensure sustainable business growth. The Company launched its first NCE viz. Saroglitazar Magnesium over a decade back. The molecule is now approved for multiple indications viz. Diabetic Dyslipidemia, Hypertriglyceridemia, MAFLD and MASH and is marketed under the brand names Lipaglyn® and Bilypsa®. Lipaglyn® brand, since its launch, continues to display significant growth momentum and is among the top 5 brands of the Company. The brand registered 40% increase in patient base during the year FY2024, evidencing the effectiveness and relevance of the Company's innovative product for the patients. The brand has treated over 3.5 mn patients since its launch.

Lipaglyn®

among the top 5 brands of the company

40%

increase in patient base of Lipaglyn® in FY2024

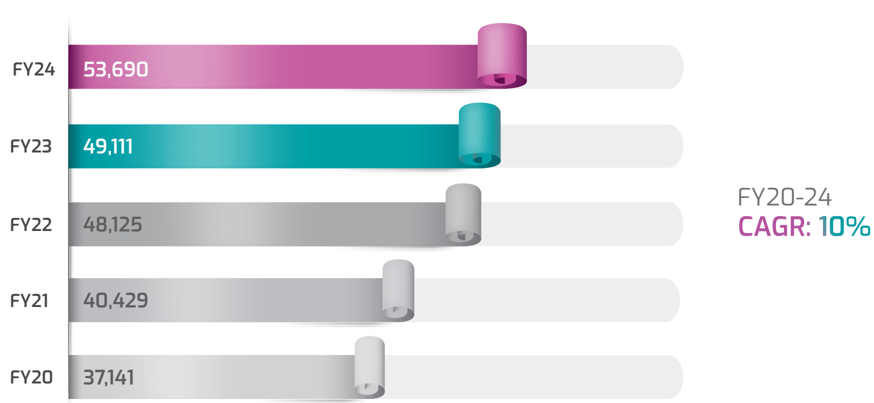
Bilypsa® brand, following its inclusion in the guidelines for MAFLD and MASH by the Indian National Association for the Study of Liver (INASL), has experienced a surge in market share and further consolidated its position in the Gastroenterology and Hepatology therapeutic areas. The guidelines have prescribed minimum duration of one year for the therapy. Strategic initiatives, such as pan-India project for liver scanning using Shear Wave Elastography Liver Scan, have played a pivotal role in improving the diagnosis of MAFLD and MASH. Over one mn subjects have been screened till date and around 75,000 subjects during the year FY2024 alone. Secondary sales of the brand as per the IQVIA more than doubled during the year and reached ₹ 520 mn.

During the year, the Company further strengthened its position in Nephrology with its second NCE and flagship brand, Oxemia™ which continued to make strong inroads in the CKD anemia market. Oxemia™, the country's first oral alternative to erythropoietin-stimulating agents (ESA), provided relief to over 45,000 CKD anemia patients during the year.

During financial year FY2022, the Company launched Ujvira™ brand for the treatment of breast cancer. Ujvira™ is the world's first biosimilar of an antibody drug conjugate Kadcyla®. The brand was launched with an aim to make the treatment affordable to a larger pool of patients who were unable to afford the cost of the innovator drug. The brand has witnessed rapid volume expansion since its launch and now provides access to over 4,000 patients every year on account of the affordability of the product compared to the innovator brand.

Overall, the Company's formulations business in India posted sales of ₹ 53,690 mn during the year, up 9%. Growth of branded formulations business was 10% during the year.

India Formulations Revenues over last 5 years (₹ mn)



Consumer Wellness

Over the years, the Company has built a sizeable presence in the consumer wellness space in India. Zydus Wellness Limited (ZWL), the Company's subsidiary, spearheads the group's operations in the wellness space. ZWL operates in two different segments viz. personal care segment and food and nutrition segment and has a portfolio of category-leading health and wellness products. Five out of the six brands of the Company continue to hold leadership positions in their respective categories.

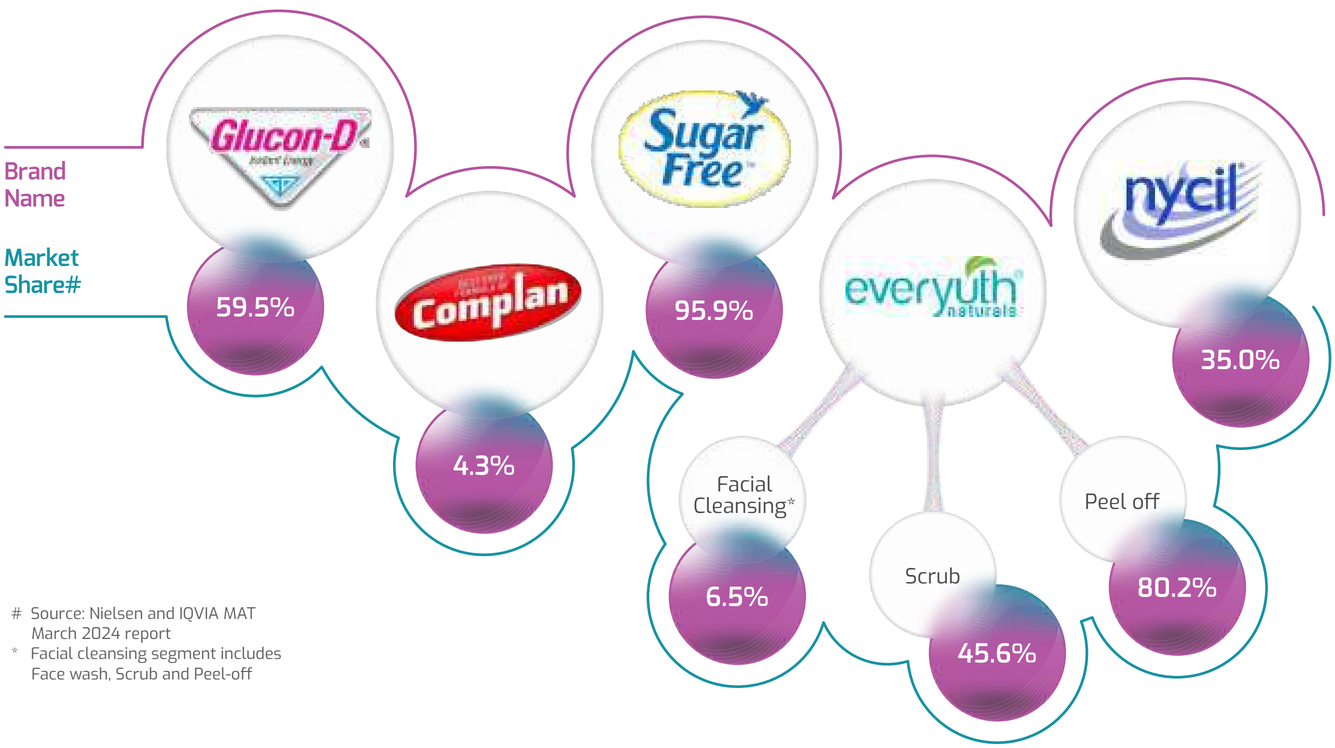
During the year, demand scenario in FMCG sector remained challenging both in urban and rural India. The weakness in demand was more prevalent in rural India during the large part of the financial year on account of erratic monsoon and lower growth in agriculture sector.

The personal care segment of the Company, which comprises of Nycil® and EverYuth™ brands, registered a very strong double-digit growth while the food and nutrition segment reported a flattish growth during the financial year.

Inflation across commodities moderated in India during the year. In line with the broader trend, the Company also witnessed gradual reduction in prices of key input materials. On account of moderation of inflationary pressure in key inputs, effective hedging strategies and calibrated price increases taken over last few quarters, the Company registered improvement in gross margin during the year.

#1
in 5 out of 6 brands

Market share of different brands in their respective categories is as under:



Source: Nielsen and IQVIA MAT March 2024 report
* Facial cleansing segment includes Face wash, Scrub and Peel-off

The Company continued to work on three key pillars to grow the business and unlock the value for all the stakeholders. They are:

A. To accelerate growth of core brands

The Company continued to support the growth of existing portfolio and new products through different marketing initiatives and go-to-market (GTM) strategy.

On the personal care front,

- Nycil® brand displayed strong traction and grew faster than the category despite the intense competitive scenario. The brand maintained its number one ranking in the prickly heat powder category.
- EverYuth™ brand demonstrated sustained growth momentum over the years driven by superior product experience. The core portfolio of EverYuth™ scrub and peel-off further strengthened their leadership positions with increase in volume share during the year.

On the food and nutrition segment front,

- To drive the relevance of Glucon-D® brand, a new campaign viz. "Thakaan Gone, Energy On" was launched. The Company launched ready to drink format viz. Glucon-D Activors Electrolyte Energy drink, with pilot launch done in couple of key states during the last quarter of the financial year.
- Continued to support the Complan® brand through focused communication by emphasising nutritional differentiation of the brand. Volume offtake progressively improved quarter on quarter for the brand.
- SugarFree™ Green continued its robust growth journey on the back of continued support through new campaign. The Company launched I'mlite™, a unique formulation of sugar blended with stevia which offers 50% less calories than that of regular sugar.
- Nutralite™ brand registered good volume growth driven by dairy and spread portfolio. The Company continued to support the brand with digital media, e-commerce channel activations and various customer engagement activities like Chef Meets and participation in food exhibitions.

B. To expand international presence

The Company aims to build scale in international business by focusing on key regions like South Asian Association for Regional Co-operation (SAARC), Middle East and Africa (MEA), South East Asia (SEA) and Indian Sub-Continent (ISC), entering new geographies and introducing suitable innovations and extensions to cater to the needs of different markets. During the year, the Company continued to build strong foundation across markets with double-digit growth in South Asia and GCC markets. Complan® and SugarFree™ are the lead brands in the international markets.

C. To grow the scale and improve profitability

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

The Company continues to drive growth of iconic brands through reimagined narratives and exploring new approaches to media exposure for the brands to achieve consumer connection with greater precision. As a result, the company has been able to increase overall penetration of its key brands.

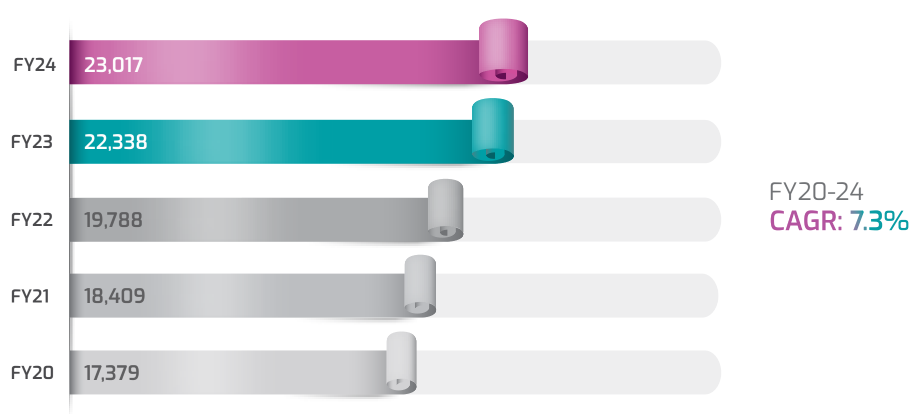
Over past two years, the Company completely switched from distribution led model to doing direct business with all modern trade and e-commerce chains. This disintermediation helped the Company to improve lead time and availability and also resulted in margin savings. The Company has transitioned over last few years towards increasing the share of organised trade with channel specific offerings to build more relevance with new age consumers.

With a strong in-house R&D team and new state of the art R&D facility at Ahmedabad, the Company has built a robust pipeline of new products to satisfy the changing preference of consumers by offering them the novel solutions. The Company ensures that new products are well researched and backed by scientific claims and substantiation.

The company continues to strengthen the competitive positioning and market share across brands through strong distribution, category expansion and investments in product innovations, media campaigns, sales promotions, and digital initiatives. The Company meets the need of over 50 mn consumers every year through multiple online and offline channel including 3 mn stores which stock the Company's products. This is a testament to the brands and the Company's go to market capability built to meet consumers' daily needs and varying shopping baskets.

Overall, the consumer wellness business grew by 3% and posted revenues of ₹ 23,017 mn.

Consumer Wellness Revenues over last 5 years (₹ mn)



50 mn+
consumers indicating brand leadership

3 mn stores
product availability

US Formulations Business

The Company pre-dominantly operates in the generics and specialty segments of the market through its wholly-owned subsidiary Zydus Pharmaceuticals USA Inc. The business achieved significant milestone during the year as its revenues surpassed US$ 1 bn for the first time. Overall, the business delivered a robust double-digit growth during the year, a strong performance in a highly competitive market, on the back of sustained volume expansion in base business, execution success in new product launches and supported by a benign pricing environment. The base business sustained sequential growth through the year. Overall, the US was the largest market for the Company during the year, accounting for 46% of consolidated revenues.

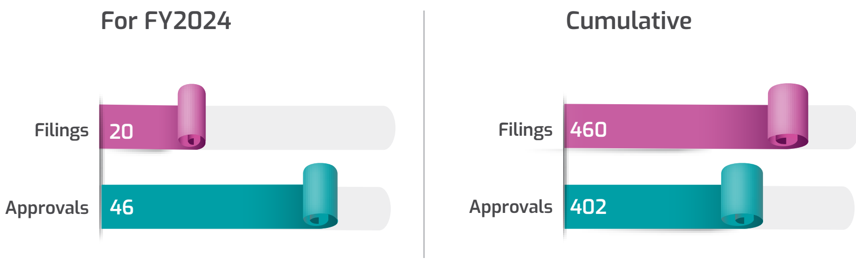
Currently, the Company distributes over 200 generic products in the US market. Out of these, the Company has leadership position in over 20% of the product families and is ranked amongst top 3 players in approximately 60% of the product families. In terms of overall ranking, the Company continues to maintain the fifth spot amongst the US generic companies based on prescriptions (Source: IQVIA, Regulatory Insights, MAT March 2024 TRx). The Company's success in the generics space is driven by its strong customer relationship, comprehensive product portfolio and an agile and resilient supply chain. In recognition of its strong customer service levels, during the year, the Company won the Healthcare Distribution Alliances' DIANA award for "Best New Generic Product Introduction" for topiramate ER capsule launch.

During the year, the Company launched 28 generic products in the US market. Significant new launches for the year include Indomethacin suppository which was granted 180 days of Competitive Generic Therapy (CGT) exclusivity and 3 transdermal patches. The Company received 46 new product approvals (incl. 5 tentative approvals) during the year, taking the cumulative number of approvals to 402. The Company filed 20 ANDAs with the USFDA during the year, taking the cumulative number of ANDA filings at the end of the year to 460.

>US$ 1 bn
revenues

5th largest
generic Company in the US

ANDA filings and approvals summary



The Company's specialty pipeline, built over last several years, started yielding results as it launched its first 505(b)(2) product viz. Zituvio™ during the year.

In order to complement its own portfolio and broaden the range of healthcare options it can provide to the patients, the Company is constantly looking at business development and licensing (BD&L) prospects. During the year, the Company launched two such in-licensed products viz. Indomethacin suppository and Methylene Blue injection. It also entered into an exclusive licensing and supply agreement with Synthon BV for Palbociclib tablets for the US market. Under the terms of the agreement, Synthon BV will be responsible for obtaining US regulatory approval and subsequently manufacture and supply the product. The Company will be responsible for the commercialisation of this oncology product in the US market.

During the year, the Company entered the US animal healthcare market with the launch of its first generic product. The US animal healthcare market is valued at around US$ 9.9 bn with companion animal products accounting for about 60% of the overall market. The Company has a robust prescription drug portfolio, spanning various therapy areas and includes simple and complex solid orals, injectables, topicals and other dosage forms. The Company received seven approvals for animal healthcare products and launched three of them during the year. The Company has partnered with eleven distribution partners covering the US market, including general practice hospitals, corporate hospitals and group purchasing organisations.

Going forward, the Company looks to continue its growth journey by focusing on successful execution of several of its key launches in the market over the coming years, across dosage forms. On the generics front, the Company looks to expand its presence in the complex generics space to offset the impact of price erosion in the base portfolio and effectively grow the business. In addition to progressing the development of its internal pipeline, the Company will keep on evaluating the partnership opportunities to enter into the dosage forms and therapies in which the Company historically hasn't had a presence in. In order bring additional value to the customers by satisfying their unmet healthcare needs, the Company is committed to expand its portfolio of 505(b)(2) products.

Overall, the Company's US formulations business posted revenues of ₹ 86,851 mn during the year, up 17%. In constant currency terms, the revenues for the year stood at US$ 1,049 mn.

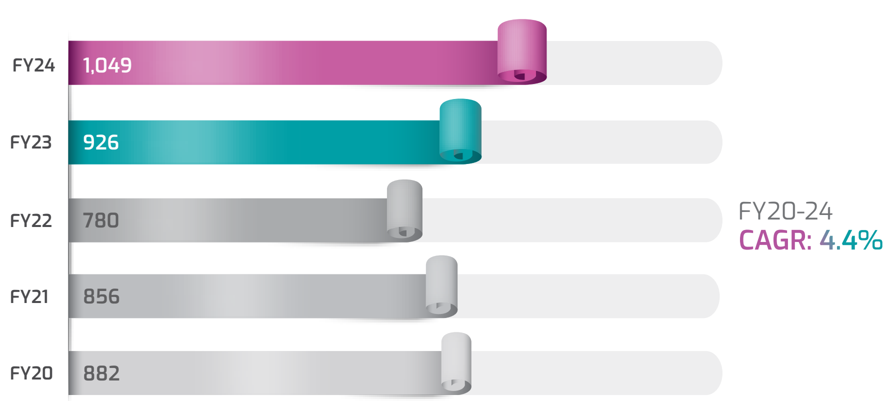
46

new product approvals in FY2024

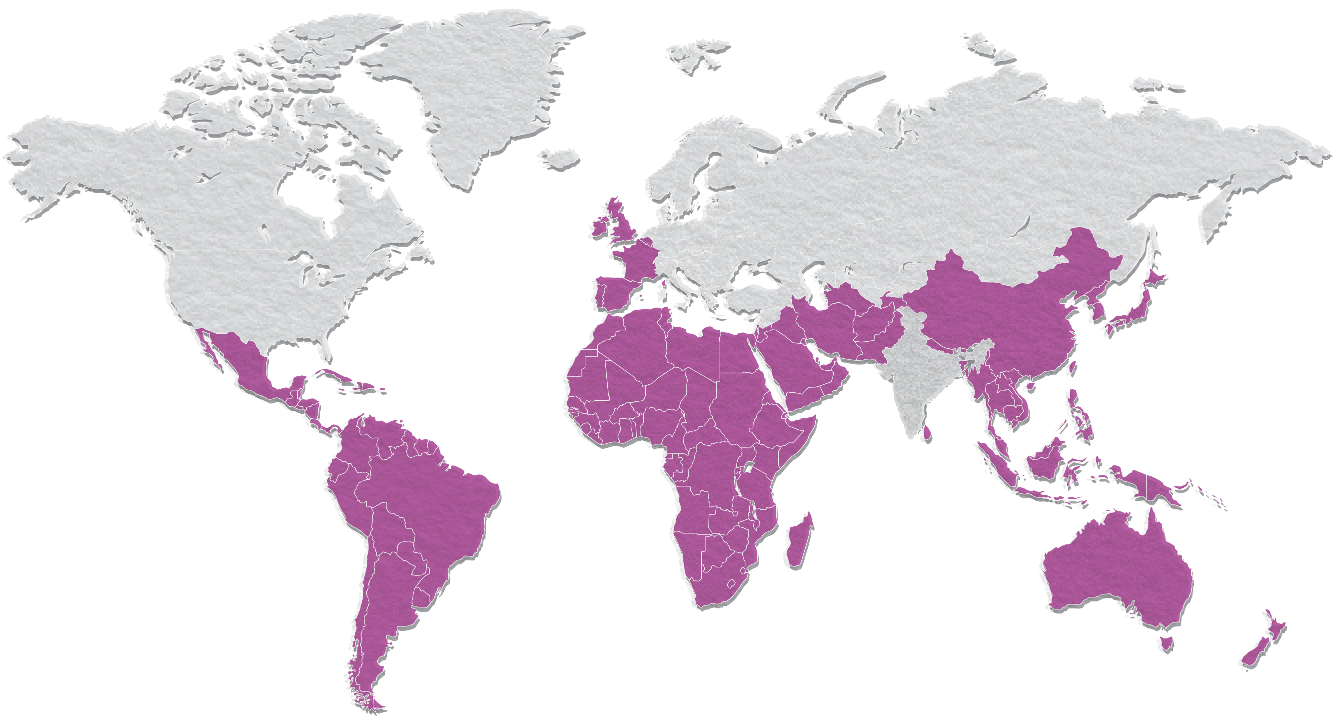
402

cumulative number of approvals

US Formulations Revenues over last 5 years (US$ mn)



International Markets Formulations Business



The Company's international markets division comprises of various countries in Emerging Markets and Europe. The Company's emerging markets include selected territories in Asia Pacific, the Middle East, Africa and Latin America. In Europe, the Company has a direct presence in France, Spain and the United Kingdom, while other European countries are served through a business-to-business (BTB) model.

In the emerging markets space, the Company pre-dominantly operates in the branded generics segment with Cardiology, Diabetology, Neuro Psychiatry and Pain Management being the focused therapeutic areas. The Company engages with Key Opinion Leaders (KOLs) in the focused therapies for overall disease management. Marketing efforts over the years have transitioned from traditional brand management to a more holistic approach centered around the disease management. This approach involves engaging with all stakeholders across the value chain and is not just limited to the prescribers. By engaging with all the stakeholders, the Company can create a more comprehensive strategy to address the challenges and needs associated with managing diseases effectively. This strategy has helped in building bigger brands over the years across markets. The tally of million-dollar club (MDC) brands now stands at 43 with an addition of 15 such brands over last 3 years.

43

million-dollar club (MDC) brands

The Company retained its leadership position in Sri Lanka with a market share of 7.4% with 30 brands ranked first in their respective molecule categories. In Philippines, the Company continued to grow at a faster pace than the participated market and was the 9th largest Company in the participated market. In the African continent, South Africa's economic environment remains conducive, with healthy growth indicators. The Company was ranked 2nd in the covered market of South Africa (Source: IQVIA Report).

On the Latin American front, in Mexico, the Company maintained strong momentum with healthy double-digit growth. The business in Brazil, however, was impacted on account of sluggish market growth. The Company has implemented necessary measures to increase business resilience to external market adversities.

The Company keeps on evaluating partnership opportunities with local players in select geographies as it looks to expand its footprint in different emerging market countries. The Company has already initiated regulatory process in some of the countries such as Australia and Saudi Arabia, for which the business outcome will be realised in coming years.

In order to safeguard future growth and differentiate itself from the competitors, the Company is increasingly focusing on launching differentiated products, value-added generics and novel dosage forms. The Company continued to leverage its rich innovation pipeline and file dossiers of different biosimilars with the regulatory authorities of different countries.

In Europe, the Company has a direct presence in the generics markets of France and Spain. Throughout the year, the demand scenario held up well. The Company is pursuing a number of initiatives to bolster its position, including expanding its pharmacy coverage, boosting its retail presence through portfolio growth, improving its cost proposition and breaking into the wholesale channel. In the BTB space, the Company is scaling up the business in existing countries and looking forward to enter into new countries through partnerships.

The Company expanded its presence in Europe during the year with an entry into the UK market. The Company commenced filing process in the UK to leverage its global R&D portfolio of differentiated and niche generics as well as specialty products and build a strong growth path for the UK market going ahead.

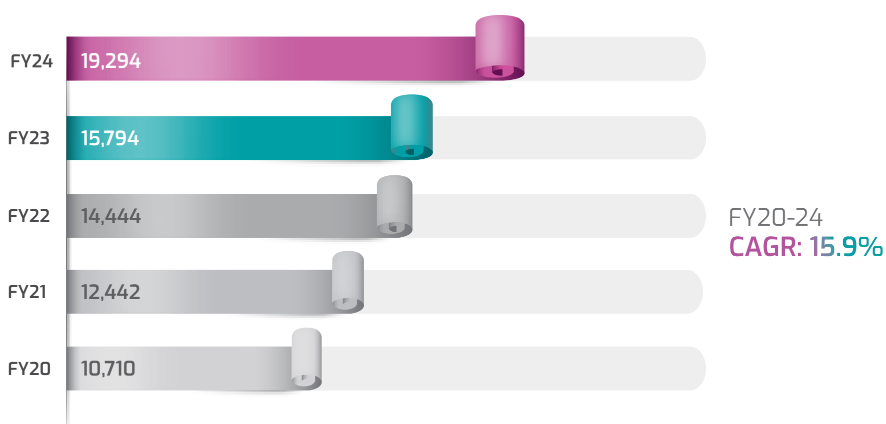
During the year, the Company acquired the UK headquartered LiqMeds group of companies which has capabilities and specialisation in development, manufacturing and supply of liquid orals for global markets, which it currently commercialises through partners. Liquid orals is a large, growing market and serves unmet needs with significant new market expansion opportunities. It would help geriatric and paediatric patients as it brings in greater ease of convenience and ensures therapy compliance. LiqMeds has an oral liquids manufacturing facility in the UK and caters to the requirements of the US and the UK markets.

Overall, the Company's International Markets formulations business posted revenues of ₹ 19,294 mn during the year, up 22%.

2nd largest
company in South Africa in participated market

9th largest
company in Philippines in participated market

International Markets Formulations Revenues over last 5 years (₹ mn)



JVs and Alliances

Zydus Takeda Healthcare Pvt. Ltd.

Zydus Takeda Healthcare Pvt. Ltd. is a 50:50 JV between the Company and Takeda Pharmaceuticals Co. Ltd., Japan. The JV owns a manufacturing facility in India which is designed to manufacture both intermediates and APIs. The manufacturing facility caters to Europe, Japan and Korean Markets and is compliant with both national and international GMP standards.

The APIs produced by the JV cover a broad range of therapeutic categories like Anti-ulcerant, Antiseptic, Analgesic/Anti-inflammatory, Antihypertensive etc. and are supplied exclusively to the JV partner for its generic portfolio. The JV aims to strive for sustainable sales growth through system and facility upgrades, inclusion of new products, prioritising planet and sustainability, and fostering agility to embrace new ways of working and technology.

APIs produced by the JV cover a broad range of therapeutic categories like Anti-ulcrant, Antiseptic, Analgesic/Anti-inflammatory, Antihypertensive etc.

Zydus Hospira Oncology Pvt. Ltd.

Zydus Hospira is a 50:50 contract manufacturing JV between the Company and Hospira Inc., USA (now part of Pfizer group), which manufactures oncology injectable products. The JV supplies products to the JV partners to cater to the requirements of the markets assigned to them. The JV has an annual capacity to manufacture upto 7 mn vials and it currently manufactures and supplies around 30 products from the facility. During the year, in order to expand the business, the JV identified two external parties for contract manufacturing and commenced supplies to one of them. On the regulatory front, the JV facility successfully underwent multiple GMP inspections during the year. It was inspected by different regulatory authorities such as the USFDA, EAEU, EMA, PMDA, ANVISA, WHO and Taiwan FDA.

30
products portfolio

7 mn vials
annual capacity

APIs

API business plays a critical role in Company's operations by delivering the essential components for the Company's product portfolio across different markets in a timely and cost-efficient manner. Having a strong presence in API space enables the company to exert more control over its supply chain and reduce dependence on external suppliers. This backward integration strategy can enhance efficiency, quality control and potentially reduce costs, which are all valuable advantages in today's competitive landscape. The Company has a wide range of capabilities to produce APIs and intermediates across different therapeutic areas. This versatility allows the Company to cater to the requirements of its own product portfolio as well as for meeting the needs of its external customers.

The Company has six state-of-the-art manufacturing facilities, a dedicated R&D centre and a team of talented scientists to ensure sustainable growth of this vertical. The Company currently manufactures and supplies a wide range of over 250 products to its customers. The Company continuously endeavours to ramp up the base business and build a portfolio of value-added new products through improved process chemistry and better yields and in turn, ensures consistent supplies to both internal and external clients. The Company's focus on cost competitiveness, technology adoption and building scale highlights its commitment to stay competitive and meet market demand effectively.

During the year, the Company successfully completed the acquisition of Watson Pharma Pvt. Ltd.'s API manufacturing facility at Ambernath, Maharashtra, which further strengthened the Company's backward integration capabilities. The facility is inspected by the USFDA. During the year, the Company filed 4 US DMFs, taking the cumulative number of filings to 142.

The Company's API business posted sales of ₹ 5,658 mn during the year, up 3% and accounted for 3% of consolidated revenues.

250+
products portfolio

4
US DMFs filed in FY2024, 142 cumulative US DMF filings

Manufacturing and Quality

The Company has a pool of modern, cost efficient and regulatory compliant manufacturing facilities which supply high quality, affordable products to its customers across the globe. The Company has the capabilities to manufacture diverse products such as small molecules, APIs, vaccines, biosimilars, complex products, animal health products as well as consumer wellness products. The Company has built vertically integrated operations for the key markets and key molecules to ensure high quality, low cost, seamless production schedule and timely availability of raw materials and finished products. The manufacturing network of the Company comprises of 37 manufacturing facilities. Out of these, 33 facilities are for manufacturing of finished dosage formulations and active pharmaceutical ingredients. 16 of these 33 facilities have been inspected by the USFDA.

The Company has undertaken multiple initiatives to optimise the cost of operations as the Company believes that effective cost management is a key to succeed in a competitive industry like pharmaceuticals. The initiatives include alternate vendor development for key components, reduction in process time, unlocking efficiencies in packaging operations etc.

Over the years, the Company has been continuously working on building a quality culture among its employees through the program Quality Excellence by Sustainable Transformation (QUEST) as the Company believes that the culture is the driving force behind the quality. During the year, the QUEST initiative was extended to the newly constructed Oral Solid Dosage (OSD) facility II located in Ahmedabad SEZ and the acquired API site at Ambernath.

37
manufacturing facilities

During the year,

- OSD facility I located in Ahmedabad SEZ received an Establishment Inspection Report (EIR) with Voluntary Action Indicated (VAI) status from the USFDA against an inspection which was conducted during the preceding financial year 2023.

  The facility also completed EU-GMP audit and received EU-GMP approval during the year.
- Biologics fill finish facility located at Zydus Biotech Park in Changodar, Animal health formulations manufacturing facility located in Ahmedabad SEZ and the newly constructed OSD facility II in Ahmedabad SEZ successfully completed USFDA inspections without any observations.
- Goa formulations facility completed the audits of EU-GMP and WHO-Geneva.
- Topical formulations facility located in Changodar successfully completed CDSCO audit while Vatva manufacturing facility completed joint inspection by Indian FDA, CDSCO and National Institute of Biologicals (NIB) for commercial manufacturing of biotech products at the site.
- On the API front, API Ahmedabad facility completed USFDA inspection and received an EIR during the year while Ankleshwar Unit II completed the inspection by WHO-Geneva.

- **OSD facility I located in Ahmedabad SEZ received an Establishment Inspection Report (EIR) with Voluntary Action Indicated (VAI) status from the USFDA**
- **API Ahmedabad facility completed USFDA inspection and received an EIR during the year**
- **Large volume block of OSD II located in Ahmedabad SEZ was made operational during the year**

In order to meet ever rising customer demand, large volume block of OSD II located in Ahmedabad SEZ was made operational during the year. The Company received first ANDA approval from this facility during the year.

Supply Chain

The Company has built an agile and an integrated supply chain which serves as the back-bone of its operations across different geographies globally. It stands as a foundation of the Company's operational success, characterised by robust planning processes and agile operations with relentless focus on cost optimisation and risk mitigation.

Here are the key strengths of the Company's supply chain:

- Vertical integration on key molecules resulting in better control over the entire supply chain, increased efficiency, reduced cost and better customer satisfaction by ensuring on-time delivery of the products.
- Agile production planning to swiftly adapt to market dynamics and customer preferences. This agility enables the Company to deliver quality products consistently across the markets.
- Resilient supplier ecosystem leading to rigorous supplier selection criteria and robust risk mitigation strategies. This enhances transparency, efficiency and collaboration in the procurement processes.
- End-to-end supply chain digitisation enables to make data driven decisions leading to improved forecast accuracy, reduced stock outs and enhanced customer satisfaction.

The Company's supply chain canvas covers over 4,500 SKUs across multiple dosage forms being supplied to over 75 countries. The Company remains committed to advancing its digital capabilities, enhancing operational efficiencies and delivering superior value to the customers.

4,500+

SKUs across dosage forms

75+

countries being served

Environment, Health and Safety

As a responsible corporate citizen, the Company continuously works towards achieving Environment, Health and Safety (EHS) excellence across all its operations. The Company has deployed dedicated EHS teams at each site to take care of day-to-day activities of EHS management system and a corporate cell which engages with all the stakeholders to build a harmonised EHS culture across units.

The Company has a governance mechanism in the form of EHS monthly report, which evaluates the performance of all the sites across multiple parameters. EHS performance of each site is reviewed by corporate EHS cell every month and is communicated to the senior management. The EHS cell develops policies and SOPs pertaining to various EHS matters and periodically updates the same to ensure compliance with all the applicable regulations. The Company has an effective internal audit mechanism to ensure compliance and validation of these policies and SOPs.

The Company has taken several initiatives towards conservation of natural resources. The Company has signed an agreement with M/S AFPRO for a watershed development project in couple of talukas which cover 11 villages. Through this project, rain water will be collected, reused for cultivation and harvested into aquifer so that water is available to farmers for their second crop of the year, enabling improved livelihood of farmers and achieving the objective of water neutrality for the Company.

Waste water generated at manufacturing sites is treated in accordance with regulatory requirements and recycled to the maximum extent possible.

Efforts have been made to minimise the waste going to secured landfill. During the year, six of the manufacturing sites achieved "Zero waste to Landfill" objective. The Company aims to achieve similar status across all the formulations manufacturing sites by end of calendar year 2024 and API sites by the end of calendar year 2026.

In the area of energy conservation, the Company has deployed energy efficient equipments across sites. Several energy conservation measures were initiated across sites, through which electrical and thermal energy optimisation was achieved. In order to reduce greenhouse gas (GHG) emissions, renewable energy in the form of solar/ wind energy is sourced through third party power purchase agreements. Renewable energy consumption went upto 39% of total energy consumption during the year viz-a-viz 36% during the preceding financial year.

On health front, pre-employment and periodical medical check-up is carried out for all the employees. Work place monitoring and personal monitoring is conducted to check the adequacy of various engineering controls installed for personal protection. Based on the operation and exposure risk, various exposure control measures like isolators, local exhaust ventilation systems, powered air purifying respirators (PAPRs) and other required personal protective equipments are made available to employees and workers involved in those operations.

Risk Identification, Risk Mitigation and Internal Controls

Zydus Lifesciences Limited, a leading Indian pharmaceutical company, is an integrated, global healthcare solutions provider. The Company's operations cover the entire spectrum of pharmaceutical value chain and are spread across the globe. The variety of business activities being performed and the geographies being served by the Company pose various risks and challenges. The Company has a well-defined process of risk management which includes identification, analysis and assessment of various risks, measurement of probable impact of such risks and formulation and implementation of risk mitigation strategies. Implementation of these measures help to minimise the impact of such risks on the Company's operations. These are briefly described below:

Risk of competition, pricing pressure and Government control on prices

Risk Involved	Mitigation Strategy
• Presence of a large number of players in the generic space results in increased competition which in turn, brings the prices down • Entry of a new player/s in existing product results in increased competition leading to pricing pressure • In some countries, Government regulates prices of medicines and reduces them periodically to make them affordable to patients	• Expand the volume of existing portfolio and launch of new products • Move up the product value chain and launch complex products which have significant entry barriers and in turn, limit new competition • Continued focus on brand building in the branded markets • Implementation of various cost optimisation initiatives across the value chain

Risk related to economic and political environment

Risk Involved	Mitigation Strategy
• Frequent political changes including civil unrest and war like situation in different geographies lead to significant uncertainties in Company's operations in such regions	• Continued evaluation of political and economic scenarios across the globe to cap the exposure to the affected regions • Secure receivables through letter of credit or advance payments

Regulatory Risk

Risk Involved	Mitigation Strategy
• Penal action by the regulators if regulations of different geographies are not complied with • Loss of reputation and consequent threat to future operations • Ever-increasing regulatory bar resulting in increase in cost of operations	• Continued evaluation of applicable regulations to ensure compliance at all times • Build a strong quality culture in the organisation and adoption of new technologies and automation to ensure better compliance • Proactively improve the systems and processes in the light of regulatory actions taken on other players • Independent audits and cGMP compliance checks to ensure all time audit readiness

Litigation Risk

Risk Involved	Mitigation Strategy
• Litigation with IP owners if patents granted to them are claimed to be infringed • Litigation with government authorities for alleged overcharging, non-compliance with pricing norms, quality, misbranding, labelling, etc. • Litigation with tax authorities on account of differences in interpretation of various provisions due to frequent changes in tax laws	• Implementation of review mechanism to check for possible infringement of intellectual property rights before developing and filings the dossiers • Develope the products through non-infringing processes and formulations • Ensure compliance with various statutory requirements by leveraging different compliance tools • Maintain internal domain expertise in taxation through continued knowledge updation

Risk of delay in/ non-receipt of product approvals

Risk Involved	Mitigation Strategy
• Loss of business/ opportunity due to delay in receipt of new product approvals/ rejection of dossiers by the regulators • Delay in re-registration of product dossiers impacting the existing business	• Implementation of a mechanism to critically review all new product dossiers before submitting the same to regulatory authorities • Speedy response to queries raised by regulators on product dossiers; Improvement in quality of response based on learnings from deficiency trends • End-to-end tracking of new product development (NPD) and new product launch (NPL) activities through a digital tool viz. IRIS

Risk of international operations including foreign exchange risk

Risk Involved	Mitigation Strategy
• Presence in different geographies exposes the Company to currency volatility of different countries; Growth, profitability, investments and liabilities can vary considerably depending upon the fluctuations	• Adoption of appropriate hedging strategy to safeguard against adverse currency movements; use of natural hedging viz. foreign currency revenues are hedged against foreign currency expenses and foreign currency debt

Risk of cyber-attack on digital infrastructure

Risk Involved	Mitigation Strategy
• Disruption of Company's operations caused by cyber security breach on digital infrastructure • Financial, operational and reputational loss	• Strengthen cyber security controls, multiple initiatives to lower operational and strategic risk profiles and to take swift actions on emergence of risks across businesses

Risk of vulnerability on supply chain

Risk Involved	Mitigation Strategy
• Rising raw materials, utilities and logistics cost impacting the profitability • Disruption in supply chain on account of geo-political and socio-economic threats resulting in an inability to consistently service the demand of customers	• Identify key APIs, excipients and other inputs and continued monitoring of pricing trend to take appropriate buying decisions to protect against the increase in cost • Regularly monitor and build the safety stock of key APIs whose supply can be impacted on account of potential geo-political and socio-economic threats • Identify alternate vendors for key raw materials and develop domestic vendors to have better control on cost, quality and supply

Risk of failure to achieve the objectives of large projects

Risk Involved	Mitigation Strategy
• Non-achievement/ significant delay in achievement of objectives of large inorganic opportunities/ capital projects can significantly impact the profitability and return on investments	• Ensure realistic approach to valuation, critical evaluation and due diligence of each and every aspect related to the project • Monitor implementation of key strategies planned and achievement of key milestones vs. plan on a periodic basis • Establish discipline on investments and debt raising with a policy on capital investment and structure; Defined criteria and threshold for new investments and optimum debt to EBITDA ratio

Risk Management and Internal Control Systems

Though it is not possible to completely eliminate various risks associated with the business of the Company, efforts are made to minimise the impact of such risks on the operations of the Company. The Company has put in a place a robust risk management framework. Through this framework, an enterprise-wide risk evaluation and validation process is carried out regularly. Risk management policy is also reviewed regularly by the Risk Management Committee and the Board of Directors. This is done to identify the new risks and gauge the impact of existing risks which might have gone up and in turn, put in place a proper strategy to mitigate such risks. The Company has put in place various internal controls for different activities so as to minimize the impact of various risks. Also, as mandated by the Companies Act, 2013, the Company has implemented an Internal Financial Control (IFC) framework to ensure proper internal controls over financial reporting. Apart from this, a well-defined system of joint internal audit is in place so as to independently review and strengthen these internal controls. The Audit Committee of the Company regularly reviews the reports of the internal auditors and recommends steps for further improvement in the internal controls.

BOARD'S REPORT:

Your Directors are pleased to present the Twenty Ninth Annual Report and the Audited Financial Statements of Zydus Lifesciences Limited ("the **Company**") for the Financial Year ended on March 31, 2024.

FINANCIAL HIGHLIGHTS:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under section 133 of The Companies Act, 2013 ("the **Act**"), read with rule 7 of The Companies (Accounts) Rules, 2014 ("the **Accounts Rules**").

The standalone and consolidated financial performance of the Company for the Financial Year ended on March 31, 2024 is summarized below:

₹ in mio.

Particulars	Standalone		Consolidated	
	For the year ended on March 31, 2024	For the year ended on March 31, 2023	For the year ended on March 31, 2024	For the year ended on March 31, 2023
Revenue from Operations and Other Income	119,035	92,800	198,315	174,240
Profit before Interest, Depreciation, Amortisation and Impairment Expenses & Tax ("**PBIDT**")	51,435	30,028	56,684	40,465
Less: Finance Cost	3,907	2,782	812	1,299
Less: Depreciation, Amortisation and Impairment Expenses	5,044	4,886	7,641	7,227
Less: Exceptional Items	86	2,038	142	6,042
Profit Before Tax ("PBT")	**42,398**	**20,322**	**48,089**	**25,897**
Less: Tax Expenses	7,983	5,030	9,775	5,878
Profit After Tax ("PAT")	**34,415**	**15,292**	**38,314**	**20,019**
Add: Share of Profit of Joint Ventures (Net of Tax)	-	-	1,184	946
Profit for the year from continuing operations	34,415	15,292	39,498	20,965
Add: Profit / (Loss) after tax from discontinued operations	-	-	230	(46)
Profit for the year	**34,415**	**15,292**	**39,728**	**20,919**
Attributable to:				
Owners of the Parent	34,415	15,292	38,595	19,603
Non-Controlling Interests	-	-	1,133	1,316
Other Comprehensive (Loss) (Net of Tax)	(322)	(141)	(2,001)	(3,144)
Total comprehensive income	**34,093**	**15,151**	**37,727**	**17,775**
Attributable to:				
Owners of the Parent	34,093	15,151	36,594	16,459
Non-Controlling Interests	-	-	1,133	1,316
Opening balance in Retained Earnings	105,674	92,894	171,898	154,958
Amount available for appropriation	**139,549**	**108,204**	**209,898**	**174,563**
Dividend	6,073	2,530	6,208	2,665
Closing Balance in Retained Earnings	**133,476**	**105,674**	**203,690**	**171,898**
Earnings Per Share ("**EPS**") from continuing operations (Face Value of shares of ₹ 1.00/- each)	34.01	15.06	37.91	19.35
EPS from continuing and discontinued operations (Face Value of shares of ₹ 1.00/- each)	34.01	15.06	38.14	19.30

Note : Previous year figures have been re-grouped / re-arranged wherever necessary.

The Company proposes to retain an amount of ₹ 133,476 mio. (Rupees One Lakh Thirty Three Thousand Four Hundred Seventy Six Million only) in the Statement of Profit and Loss. The Company proposes not to transfer any amount to general reserve on declaration of dividend.

RESULTS OF OPERATIONS:

During the Financial Year ended on March 31, 2024, the consolidated revenue from operations and other income was ₹ 198,315 mio. (Rupees One Lakh Ninety Eight Thousand Three Hundred Fifteen Million only). The Company has achieved consolidated PBT from continuing operations of ₹ 48,089 mio. (Rupees Forty Eight Thousand Eighty Nine Million only) and consolidated PAT (from continuing and discontinued operations) of ₹ 39,728 mio. (Rupees Thirty Nine Thousand Seven Hundred Twenty Eight Million only). The Company achieved a consolidated total Comprehensive Income of ₹ 37,727 mio. (Rupees Thirty Seven Thousand Seven Hundred Twenty Seven Million only). The consolidated EPS on continuing and discontinued operations for the Financial Year ended on March 31, 2024 was ₹ 38.14 (Rupees Thirty Eight and Paise Fourteen).

During the Financial Year ended on March 31, 2024, the standalone revenue from operations and other income was ₹ 119,035 mio. (Rupees One Lakh Nineteen Thousand Thirty Five Million only). The Company has achieved standalone PBT of ₹ 42,398 mio. (Rupees Forty Two Thousand Three Hundred Ninety Eight Million only) and standalone PAT of ₹ 34,415 mio. (Rupees Thirty Four Thousand Four Hundred Fifteen Million only). The Company achieved a standalone total Comprehensive Income of ₹ 34,093 mio. (Rupees Thirty Four Thousand Ninety Three Million only). The standalone EPS for the Financial Year ended on March 31, 2024 was ₹ 34.01 (Rupees Thirty Four and Paisa One).

The Company's principal sources of liquidity are the cash flow generated from business operations, cash and cash equivalents and liquid investments. At a consolidated level, the Company's net debt is negative (i.e. it has a surplus cash over debt) and the Company maintained sufficient cash to meet its requirements.

The Company's working capital management is robust and involves a well-organised process, which facilitates continuous monitoring and control over receivables, inventories and other parameters.

AUTHORISED SHARE CAPITAL:

As at March 31, 2024, Authorised Share Capital was ₹ 172.50 mio. (Rupees One Hundred Seventy Two Million Five Hundred Thousand only) divided into 172.50 mio. (One Hundred Seventy Two Million Five Hundred Thousand) equity shares of ₹ 1.00/- (Rupee One only) each.

BUYBACK OF EQUITY SHARES:

The Board of Directors ("the **Board**") at its meeting held on February 9, 2024 passed a resolution to buyback 5,970,149 (five million nine hundred seventy thousand one hundred forty nine) equity shares of ₹ 1.00/- (Rupee One only) each fully paid-up, representing 0.59% of the total number of pre-buyback equity shares at a price of ₹ 1,005/- (Rupees One Thousand Five only) aggregating to ₹ 6,000 mio. (Rupees Six Thousand Million only), being 5.28% and 3.33% of the aggregate of the fully paid-up equity share capital and free reserves of the Company as per the audited standalone and consolidated financial statements of the Company as at March 31, 2023, respectively (which is within the statutory limits of 10% (ten percent) of the aggregate of the fully paid-up equity share capital and free reserves of the Company, based on both standalone and consolidated financial statements of the Company, under the Board approval route as per the provisions of the Act and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ("the **Buyback Regulations**")), excluding the transaction cost relating to the buyback, from the members of the Company (including the promoters of the Company), on a proportionate basis under the tender offer route in accordance with the provisions of the Buyback Regulations and the Act and Rules made thereunder.

Pursuant to and in compliance with the provisions of section 68 of the Act read with rule 17 of The Companies (Share Capital and Debentures) Rules, 2014 and the Buyback Regulations, the amount of buyback was distributed to the members on March 14, 2024 and the corresponding equity shares were extinguished on March 15, 2024. Pre and post buyback shareholding structure is as under:

Pre buyback shareholding	No. of shares bought back	Post buyback shareholding
1,012,204,139 equity shares of ₹ 1.00/- each fully paid-up	5,970,149 equity shares of ₹ 1.00/- each fully paid-up	1,006,233,990 equity shares of ₹ 1.00/- each fully paid-up

Pursuant to the buyback, the promoters' shareholding increased from 74.98% to 75.04% of the total post buyback paid-up share capital. Pursuant to and in compliance with the provisions of regulation 38 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**") and rule 19(2)(b) and 19(A) of The Securities Contract (Regulations) Rules, 1957 read with para 3(7)(ii) of the SEBI Circular No. SEBI/HO/CFD/PoD2/P/CIR/2023/18 dated February 3, 2023, to maintain minimum public shareholding, Zydus Family Trust, promoter of the Company, sold equity shares representing 0.06% of the paid-up share capital in the open market, within the statutory time frame as prescribed under The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011. Post-sale of equity shares as above, promoters' shareholding in the Company has reduced from 75.04% to 74.98%.

Pursuant to and in compliance with the provisions of section 69 of the Act, the Company has transferred an amount of ₹ 6.00 mio. (Rupees Six Million only) to Capital Redemption Reserve, which is equal to the nominal value of the equity shares bought back. The details thereof are disclosed in Note No. 17 of the Audited Standalone Financial Statements for the Financial Year ended on March 31, 2024.

DIVIDEND:

Your Directors have recommended a final dividend of ₹ 3.00/- (Rupees Three only) (i.e. 300%) per equity share of ₹ 1.00/- (Rupee One only) each for the Financial Year ended on March 31, 2024. The final dividend, if declared by the members at the ensuing Annual General Meeting ("**AGM**"), will result into cash outflow of ₹ 3,018.70 mio. (Rupees Three Thousand Eighteen Million Seven Hundred Thousand only) and will be paid to those members, whose names stand registered in the Register of Members on Friday, July 26, 2024 i.e. the record date. In respect of shares held in dematerialized mode, it will be paid to the members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited, as beneficial owners. The Dividend Payout Ratio (including dividend and buyback) for the Financial Year ended on March 31, 2024 is 23.51% of profits from continuing operations.

As per the provisions of the Income-Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the members. Accordingly, the Company makes the payment of the dividend from time to time after deduction of tax at source.

Pursuant to and in compliance with regulation 43A of the Listing Regulations, the Company has formulated Dividend Distribution Policy, which is approved by the Board (lastly modified on May 17, 2024) and is uploaded on Company's website and the weblink of the same is provided in a separate section of Corporate Governance Report on Page No. 144, which forms a part of this Annual Report.

The Dividend Distribution Policy sets out the parameters to be considered by the Board in determining the quantum of the dividend and / or the utilization of the retained profits earned by the Company.

SECRETARIAL STANDARDS:

The Company is in compliance with Secretarial Standards on Meetings of Board of Directors and General Meetings issued by The Institute of Company Secretaries of India.

MANAGEMENT DISCUSSION AND ANALYSIS ("MDA"):

Pursuant to and in compliance with the provisions of regulation 34(2)(e) of the Listing Regulations, MDA for the Financial Year ended on March 31, 2024 is presented in a separate section which forms a part of this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to and in compliance with the provisions of Ind AS-110 on Consolidation of Financial Statements read with Ind AS-28 on Accounting for Investments in Associates and Joint Ventures and as prescribed under the provisions of the Act read with Schedule III of the Act and Rules made thereunder and the Listing Regulations, the Audited Consolidated Financial Statements are provided in the Annual Report, which show the financial resources, assets, liabilities, income, profits and other details of the Company, its associate companies and its subsidiary companies after elimination of minority interest, as a single entity.

SUBSIDIARY AND JOINT VENTURE COMPANIES:

i. The Company has 16 (sixteen) Indian subsidiary companies (including 7 (seven) step down subsidiaries), 34 (thirty four) foreign subsidiary companies (including 23 (twenty three) step down subsidiaries) and 4 (four) joint venture companies as at March 31, 2024. During the Financial Year ended on March 31, 2024, there has been no material change in the nature of business of the Company, subsidiary companies and joint venture companies. There is 1 (one) partnership firm in the group, in which 2 (two) subsidiary companies of the Company are the partners. More details are provided in the Audited Standalone Financial Statements. During the Financial Year ended on March 31, 2024, the Board has reviewed the performance / affairs of the subsidiary companies.

ii. Hercon Pharmaceuticals LLC, ("**Hercon**") a wholly owned subsidiary of Zydus Noveltech Inc., USA ("**ZNI**"), which in turn is a wholly owned subsidiary of the Company was dissolved w.e.f. May 24, 2023.

   Hercon was not a material subsidiary of the Company and did not carry on any business activities at the time of its dissolution. The dissolution of Hercon does not affect the business operations of the Company.

iii. The Company has entered into a Business Transfer Agreement ("**BTA**") for purchase of one of the business undertakings ("**Business Undertaking**") of Watson Pharma Private Limited ("**Watson**") on a going concern basis by way of slump sale, without values being assigned to individual assets and liabilities, on cash-free and debt-free basis at a lump-sum consideration of ₹ 467.70 mio. (Rupees Four Hundred Sixty Seven Million Seven Hundred Thousand only), subject to certain closing date adjustments as provided in the BTA, with effect from such date and in such manner and on the terms and conditions as mentioned in the BTA.

Business Undertaking of Watson is engaged in the business of developing, manufacturing, marketing and sale of Active Pharmaceutical Ingredients ("**APIs**"). The said transaction will help the Company to expand its presence in the APIs space through increase in product pipeline and manufacturing capacity.

The said transaction of purchase of Business Undertaking was consummated on August 8, 2023.

iv. The Company has incorporated Zydus Pharmaceuticals (Canada) Inc., as a wholly owned subsidiary in Canada on September 6, 2023.

v. Zydus Animal Health and Investments Limited ("**ZAHL**"), a wholly owned subsidiary of the Company entered into a Share Purchase Agreement ("**SPA1**") with Rising Sun Holdings Private Limited ("**Seller**") and Mylab Discovery Solutions Private Limited ("**Mylab**" or "**Target**") to acquire 6,506,500 (six million five hundred six thousand five hundred) equity shares having face value of ₹ 1.00/- (Rupee One only) each (which are fully paid-up) at an agreed consideration of ₹ 1,060 mio. (Rupees One Thousand Sixty Million only) representing 6.5% of the total paid-up equity share capital of Mylab from the Seller. The ultimate number of shares to be held can change, as per the terms of the Agreement, based on the financial performance of Mylab for the year ended on March 31, 2024.

The said transaction of acquisition of shares was consummated on September 18, 2023.

vi. Pursuant to the Sale and Purchase Agreement ("**SPA2**") amongst the Sellers (as defined in the SPA2), certain individuals, the Company and Zydus Pharmaceuticals UK Limited, United Kingdom ("**Zydus UK**"), a wholly owned subsidiary of the Company, Zydus UK purchased the entire share capital of LiqMeds Worldwide Limited, LiqMeds Limited, Medsolutions (Europe) Limited, LiqMeds Lifecare Limited and LM Manufacturing Limited (collectively referred to as "the **Target Companies**" from the Sellers, on terms and conditions as mentioned in the SPA2.

Liquid orals is a large, growing market and serves unmet needs with significant new market expansion opportunities. In line with our patient-centric approach, we believe that oral liquid formulations would help geriatric and pediatric patients, bringing in greater ease of convenience and therapy compliance.

LiqMeds Group has capabilities and specialisation in development, manufacturing and supply of oral liquid products for global markets, which it currently commercializes through partners.

The current business model of LiqMeds Group is development, manufacturing and supply of oral liquid products for global markets, which it currently commercializes through partners on milestone payments and profit share basis.

The said transaction of acquisition of shares was consummated on November 6, 2023.

vii. ZNI was dissolved w.e.f. December 15, 2023.

ZNI was not the material subsidiary of the Company and did not carry any business activities at the time of its dissolution. The dissolution of ZNI did not affect the business operations of the Company.

viii. The Company has incorporated Zydus Lifesciences Global FZE, as a wholly owned subsidiary in Jebel Ali Free Zone, United Arab Emirates on February 20, 2024.

ix. As per the terms and conditions of the Joint Venture Agreement ("**JVA**") entered into between the Company and Bayer (South East Asia) Pte. Limited, the Company had entered into a Share Purchase Agreement ("**SPA3**") with Bayer Zydus Pharma Private Limited ("**JV Company**") and Bayer Pharmaceuticals Private Limited ("**BPPL**") to sell and transfer all the equity shares (i.e. 12,499,999 of ₹ 10.00/- (Rupees Ten only) each fully paid-up representing 24.999998% of the share capital) of the JV Company held by the Company to BPPL as per the terms and conditions of the SPA3 at a consideration of ₹ 2,822 mio. (Rupees Two Thousand Eight Hundred Twenty Two Million only) (subject to certain post-closing adjustments).

Pursuant to the above sale and transfer, the Company ceases to hold any shares of the JV Company and the JV Company ceases to be the joint venture of the Company. The Directors representing the Company have resigned from the Board of the JV Company.

The said transaction of sell and transfer of shares was approved by the Board at its meeting held on May 2, 2024 and consummated on May 6, 2024.

x. Pursuant to the provisions of section 136 of the Act, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not attached with the Balance Sheet of the Company. The Company will make available free of cost the Audited Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same.

The Financial Statements of the subsidiary companies will also be kept open for inspection. Pursuant to and in compliance with the provisions of sections 129, 134 and 136 of the Act and Rules made thereunder and regulation 33 of the Listing Regulations, the Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

xi. Pursuant to and in compliance with the provisions of section 129(3) of the Act and Rules made thereunder, a statement containing the salient features of the financial statements of its subsidiaries and the joint venture companies in the format prescribed under the rules is attached to the Audited Financial Statements. The policy relating to material subsidiaries, pursuant to the provisions of regulation 16(1)(c) of the Listing Regulations, is uploaded on Company's website and the weblink of the same is provided in a separate section of Corporate Governance Report on Page No. 145, which forms a part of this Annual Report.

xii. Pursuant to and in compliance with the provisions of section 134 and rule 8(1) of the Accounts Rules, the details of the performance of subsidiaries and joint ventures of the Company are covered in the MDA and Audited Financial Statements.

xiii. Your Company funds its subsidiaries, from time to time, in the ordinary course of business and as per their funding requirements, through equity, loan, providing guarantee and / or other means for their business purposes.

xiv. Pursuant to the Company's policy to determine material subsidiary companies, read with the provisions of the Act and the Listing Regulations, Zydus Healthcare Limited ("**ZHL**"), Zydus Wellness Limited ("**ZWL**"), Zydus Wellness Products Limited ("**ZWPL**"), Zydus Animal Health and Investments Limited ("**ZAHL**") and Zydus Pharmaceuticals USA Inc., USA ("**ZPUI**") are the material subsidiary companies of the Company, the details of which are provided in the Corporate Governance Report, which forms a part of this Annual Report.

INSURANCE:

The Company's plants, properties, equipments and stocks / inventory are adequately insured against all major risks. The Company has insurance cover for product liability and clinical trials. Pursuant to and in compliance with the provisions of regulation 25(10) of the Listing Regulations, the Company has taken the Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

PUBLIC DEPOSITS:

The Company has neither accepted nor renewed any deposits from its members or public as per the provisions of sections 73 and 74 of the Act read with Rules made thereunder and as such, no amount on account of principal or interest on deposits was outstanding as on the date of the balance sheet.

COST ACCOUNTS AND RECORDS:

The Company has made and maintained the cost accounts and records as specified under section 148(1) of the Act and Rules made thereunder.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Pursuant to and in compliance with the provisions of section 134(3)(g) of the Act, details of loans, guarantees and investments covered under section 186(4) of the Act are given in the notes to the Audited Standalone Financial Statements.

FRAUDS:

In terms of section 134(3)(ca) of the Act, during the Financial Year ended on March 31, 2024, the statutory auditors, cost auditors and the secretarial auditors have not reported to the Audit Committee, under section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

RELATED PARTY TRANSACTIONS:

All contracts / arrangements / transactions entered into by the Company during the Financial Year ended on March 31, 2024 with related parties were in the ordinary course of business, on an arm's length basis, had no conflict with the interest of the Company and in accordance with the policy on related party transactions. All related party transactions are placed before the Audit Committee on a quarterly basis for review and approval. As provided under section 134(3)(h) of the Act and Rules made thereunder and the Listing Regulations, disclosure of particulars of material transactions (i.e. transactions exceeding ₹ 10,000 mio. (Rupees Ten Thousand Million only) or 10% (ten percent) of the annual consolidated turnover as per the last Audited Financial Statements) with related parties entered into by the Company in the prescribed Form No. AOC-2 is annexed to this report as **Annexure-A**. Disclosures on related party transactions as per Ind-AS 24 are set out in Note No. 41 of the Audited Standalone Financial Statements.

As a part of the Company's annual planning process, before the beginning of a financial year, details of all the transactions proposed to be executed with related parties, including the estimated amounts of transactions to be executed and other relevant details, are approved by the Audit Committee and the Board.

Further approval is sought during the year for any new transaction / modification to the previously approved limits / terms of contracts with the related parties. This is followed by a quarterly review of the related party transactions by the Audit Committee.

The weblink to view the policy on materiality of related party transactions and dealing with related party transactions is provided in a separate section of Corporate Governance Report on Page No. 145, which forms a part of this Annual Report.

Pursuant to and in compliance with provisions of regulation 23(9) of the Listing Regulations, the Company has filed the related party transactions with the stock exchanges on the date of disclosing the standalone and consolidated financial results.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As at March 31, 2024, your Company's Board comprised of 10 (ten) Directors who have considerable experience in their respective fields, the details of which are provided in below table:

Sr. No.	Category of Directors	Number of Directors	% age
1.	Independent Directors	6	60
	a. Woman Independent Directors (out of 1 above)	2	20
2.	Executive Directors	2	20
3.	Non-Executive Directors	2	20
4.	**Total (1+2+3)**	**10**	**100**

Other statutory details are provided in the Corporate Governance Report, which forms a part of this Annual Report.

i. Appointment / cessation of Independent Directors ("IDs"):

Based on the recommendation of the Nomination and Remuneration Committee ("**NRC**"), the Board at its meeting held on May 17, 2024 passed the resolutions and appointed Ms. Shelina P. Parikh (DIN: 00468199) as an Additional Director as well as ID for the first term of 5 (five) consecutive years w.e.f. the date of the Board approval, subject to approval of the members at the ensuing AGM by way of special resolution. She will hold the office up to the ensuing AGM.

Mr. Nitin R. Desai (DIN: 00140239) and Ms. Dharmishtaben N. Raval (DIN: 02792246) shall cease to be the Directors as well as the IDs of the Company after the conclusion of the ensuing AGM, consequent upon completion of their respective tenures.

Mr. Nitin R. Desai and Ms. Dharmishtaben N. Raval are members of certain committees of the Board. Said committees are re-constituted, details of which are provided in the Corporate Governance Report, which forms a part of this Annual Report.

ii. Re-appointment of Executive Director:

Mr. Ganesh N. Nayak (DIN: 00017481) was appointed as the Whole Time Director, designated as the Executive Director, of the Company for a period of 3 (three) years w.e.f. July 12, 2021. His appointment will expire on July 11, 2024.

The Board, based on the recommendation of the NRC, at its meeting held on May 17, 2024, re-appointed Mr. Ganesh N. Nayak, as the Whole Time Director, designated as the Executive Director for one more year i.e. upto July 12, 2025, notwithstanding the fact that Mr. Ganesh N. Nayak shall attain age of 70 (seventy) years during the term of re-appointment, subject to approval of the members at the ensuing AGM by way of special resolution.

iii. Retirement by rotation:

Pursuant to and in compliance with the provisions of section 152(6) of the Act and in terms of the Articles of Association of the Company, Mr. Pankaj R. Patel, Non-Executive Non-Independent Director (DIN: 00131852) and Mr. Mukesh M. Patel, Non-Executive Non-Independent Director (DIN: 00053892), will retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

iv. Declaration of independence:

Pursuant to and in compliance with the provisions of section 134(3)(d) of the Act, the Company has received declaration of independence as stipulated under sections 149(6) and 149(7) of the Act and regulations 16(1)(b) and 25 of the Listing Regulations from IDs confirming that they are not disqualified for continuing as an ID. There has been no change in the circumstances affecting their status as an ID of the Company.

All IDs have complied with the Code prescribed under Schedule IV to the Act.

As per the declarations received, all the Directors of the Company, who are required to get registered, have registered themselves with The Indian Institute of Corporate Affairs. Further, they have qualified the online proficiency self-assessment test or are exempted from passing the test as required in terms of section 150 of the Act read with rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014.

The Board has taken on record the declaration and confirmation submitted by the IDs after undertaking due assessment of the veracity of the same.

v. Profile of Directors seeking appointment / re-appointment:

Pursuant to and in compliance with the provisions of regulation 36(3) of the Listing Regulations and standard 1.2.5 of Secretarial Standard on General Meetings, particulars of Directors seeking appointment / re-appointment at the ensuing AGM are annexed to the notice convening Twenty Ninth AGM.

During the Financial Year ended on March 31, 2024, no Director of the Company has resigned.

vi. Key Managerial Personnel:

The following persons are the Key Managerial Personnel ("**KMP**") as on March 31, 2024:

1. Dr. Sharvil P. Patel, Managing Director,
2. Mr. Ganesh N. Nayak, Executive Director, *
3. Mr. Nitin D. Parekh, Chief Financial Officer and
4. Mr. Dhaval N. Soni, Company Secretary.

During the Financial Year ended on March 31, 2024, there were no changes to the KMP.

* Based on the recommendation of the NRC, the Board re-appointed Mr. Ganesh N. Nayak as an Executive Director (continued to be designated as Key Managerial Personnel), subject to approval of the members by way of special resolution at the ensuing AGM.

vii. Board Evaluation:

Pursuant to and in compliance with the provisions of the Act and Rules made thereunder and as provided in Schedule IV of the Act and the Listing Regulations, the NRC and the Board have carried out an annual evaluation of its own performance, the Directors individually as well as its committees. In terms of section 134(3)(p) of the Act read with rule 8(4) of the Account Rules, the manner in which the evaluation was carried out is provided in the Corporate Governance Report, which forms a part of this Annual Report.

In a separate meeting of IDs, the performance of the non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria fixed by the Board / NRC.

The functioning of the Board, the Committees and performance of individual Directors was found satisfactory.

viii. Nomination and Remuneration Policy:

The Board has, on the recommendation of the NRC, framed a policy on selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy and weblink of the same is provided in a separate section of Corporate Governance Report on Page No. 145, which forms a part of this Annual Report.

During the Financial Year ended on March 31, 2024, the NRC Policy was amended to suitably modify the definition of Senior Management.

ix. Pecuniary relationship:

During the Financial Year ended on March 31, 2024, except those disclosed in the Audited Financial Statements, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

x. Non-disqualification:

None of the Directors are disqualified from being appointed as directors as specified under section 164(1) and 164(2) of the Act read with rule 14(1) of The Companies (Appointment and Qualifications of Directors) Rules, 2014 or are debarred or disqualified by the Securities and Exchange Board of India ("**SEBI**"), Ministry of Corporate Affairs ("**MCA**") or any other such statutory authority.

xi. Remuneration to Directors, KMP and Senior Management:

Remuneration paid to the Directors, KMP and Senior Management is in accordance with the NRC Policy. More details are provided in the Corporate Governance Report which forms a part of this Annual Report.

Dr. Sharvil P. Patel, Managing Director, has not received any remuneration or commission from any of the subsidiary companies. Further, the Company does not have any holding company, hence, the circumstance of any remuneration or commission from a holding company does not arise.

Mr. Ganesh N. Nayak, Executive Director, has not received any remuneration or commission from any of the subsidiary companies. He has received sitting fees of ₹ 1.00 mio. (Rupees One Million only) towards sitting fees for attending the Board and committee meetings of Zydus Wellness Limited, a subsidiary company.

CREDIT RATING:

The details of credit ratings obtained during the Financial Year ended on March 31, 2024 are provided in below table:

Sr. No.	Facility / Instrument	Amount (₹ in mio.)	Ratings
1.	Various Bank Facilities	47,240	Long term rating CRISIL AAA/Stable (upgraded from CRISIL AA+/Positive) Short term rating CRISIL A1+ (Reaffirmed)
2.	Commercial Papers (**CPs**) *	2,000	CRISIL A1+ (Reaffirmed)
3.	Non-Convertible Debentures (**NCDs**) *	500	CRISIL AAA/Stable (upgraded from CRISIL AA+/Positive)
4.		750	CRISIL AAA/Stable (upgraded from CRISIL AA+/Positive)

* No CPs / NCDs were issued during the Financial Year ended on March 31, 2024.

INSIDER TRADING REGULATIONS:

The Company has adopted the Code for Insider Trading as per The SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**Insider Trading Regulations**"). Other details on Insider Trading Regulations are provided in the Corporate Governance Report, which forms a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of sections 134(3)(c) and 134(5) of the Act and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

i. that in preparation of the Financial Statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any,

ii. that such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2024 and of the profit of the Company for the year ended on that date,

iii. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,

iv. that the annual financial statements have been prepared on a going concern basis,

v. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and

vi. that the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

TRANSFER OF SHARES AND DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF"):

Pursuant to and in compliance with the provisions of sections 124 and 125 of the Act and Rules made thereunder, the Company has transferred-

i. 207,631 (two hundred seven thousand six hundred thirty one) equity shares held by 180 (one hundred eighty) members whose dividend has remained unclaimed / unpaid for a consecutive period of 7 (seven) years to IEPF and

ii. ₹ 7.99 mio. (Rupees Seven Million Nine Hundred Ninety Thousand only) held by 3,312 (three thousand three hundred twelve) members, being the unclaimed dividend, pertaining to the interim dividend for the Financial Year ended on March 31, 2017 to IEPF after giving notice to the members to claim their unclaimed / unpaid dividend.

As at March 31, 2024, 1,500,237 (one million five hundred thousand two hundred thirty seven) equity shares are lying with IEPF.

BOARD MEETINGS:

5 (five) Board meetings were held during the Financial Year ended on March 31, 2024 and in compliance with provisions of section 173(1) of the Act, the time gap between any 2 (two) Board meetings was not more than 120 (one hundred twenty) days. The Board approved 4 (four) resolutions by circulation, vide resolutions dated July 19, 2023, July 24, 2023, September 22, 2023 and March 30, 2024. Other information with regard to the Board meetings is given in the Corporate Governance Report, which forms a part of this Annual Report.

COMMITTEES:

As at March 31, 2024, the Company has 7 (seven) committees namely Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility and Environment Social and Governance Committee, Stakeholder's / Investor's Relationship Committee, Share Transfer Committee and Finance and Administration Committee.

The Board has accepted the recommendations of all the committees constituted by the Board.

A detailed note on the composition of the Board and its Committees, governance of committees including its terms of reference, number of committee meetings held during the Financial Year ended on March 31, 2024 and attendance of the members, is provided in the Corporate Governance Report, which forms a part of this Annual Report. The composition and terms of reference of all the Committees of the Board are in line with the provisions of the Act and the Listing Regulations.

CORPORATE GOVERNANCE:

The Company has complied with the Corporate Governance requirements under the Act and as stipulated under the Listing Regulations. A separate section on detailed report on the Corporate Governance practices followed by the Company under the Listing Regulations, along with a certificate from Manoj Hurkat & Associates, Practicing Company Secretaries, confirming the compliance, forms a part of this Annual Report.

AUDITORS:

i. Statutory Auditors and Audit Report:

Deloitte Haskins & Sells LLP, Chartered Accountants ("**Deloitte**"), were appointed as the Statutory Auditors of the Company for a period of 5 (five) consecutive years from the conclusion of Twenty Second AGM till the conclusion of Twenty Seventh AGM.

Based on the recommendation of the Audit Committee and the Board, members at their Twenty Seventh AGM passed the resolution to re-appoint Deloitte as the Statutory Auditors of the Company for a further period of 5 (five) consecutive years from the conclusion of Twenty Seventh AGM till the conclusion of Thirty Second AGM in the calendar year 2027, with an authority to the Audit Committee and the Board to decide the remuneration payable to them.

Deloitte have furnished a declaration confirming their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company.

Deloitte have issued an unmodified opinion on the financial statements for the Financial Year ended on March 31, 2024 and the same forms a part of this Annual Report.

The Board has duly reviewed the Statutory Auditors' Report and the observations and comments, appearing in the report, are self-explanatory and do not call for any further explanation / clarification by the Board as provided under section 134(3)(f) of the Act.

ii. Cost Auditors and Audit Report:

Pursuant to the provisions of section 148(3) of the Act and rules 3 and 4 of The Companies (Cost Records and Audit) Rules, 2014, ("the **Cost Rules**") the cost audit records maintained by the Company in respect of Drugs and Pharmaceuticals are required to be audited. The Board had, on the recommendation of the Audit Committee, appointed Dalwadi & Associates, Cost Accountants to audit the cost records of the Company for the Financial Year ending on March 31, 2025 on a remuneration of ₹ 0.80 mio. (Rupees Eight Hundred Thousand only) plus applicable Goods and Services Tax and out of pocket expenses at actuals. Pursuant to the provisions of section 148 of the Act and rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be placed before the members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to Dalwadi & Associates is included at Item No. 6 of the Notice convening Twenty Ninth AGM.

The Cost Audit Report for the Financial Year ended on March 31, 2023, which was filed on September 2, 2023 did not contain any qualification, reservation, or adverse remark. The Cost Audit Report for the Financial Year ended on March 31, 2024 will be submitted within the prescribed timelines.

iii. Secretarial Auditors and Audit Report:

Pursuant to and in compliance with the provisions of section 204 of the Act, rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("**Managerial Personnel Rules**") and regulation 24A(1) of the Listing Regulations, the Board has appointed Manoj Hurkat & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year ended on March 31, 2024. The Secretarial Audit Report is annexed herewith as **Annexure-B**. The Board has duly reviewed the Secretarial Audit Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board as provided under section 134(3)(f) of the Act.

Further, pursuant to and in compliance with the provisions of regulation 24A(1) of the Listing Regulations, the secretarial audit reports of ZHL and ZAHL, unlisted material subsidiary companies incorporated in India are annexed herewith as **Annexure-B1** and **Annexure-B2** respectively.

ZWL and ZWPL are also material subsidiaries of the Company. ZWPL is a wholly owned subsidiary of ZWL, a listed entity and a subsidiary of the Company. In view of the same, secretarial audit reports of ZWL and ZWPL are not required to be annexed with the Boards' Report of the Company.

iv) Annual Secretarial Compliance Report:

Pursuant to and in compliance with the provisions of regulation 24A(2) of the Listing Regulations, Manoj Hurkat & Associates, Practicing Company Secretaries have issued Annual Secretarial Compliance Report for the Financial Year ended March 31, 2024. Said report was presented at the Board meeting held on May 17, 2024. The Company will submit the said report to the stock exchanges within the prescribed time frame.

AWARDS AND RECOGNITIONS:

Details of awards and recognitions are provided separately in this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ("BRSR"):

Pursuant to and in compliance with the provisions of regulation 34(2)(f) of the Listing Regulations, a separate section on BRSR forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") AND ENVIRONMENT SOCIAL AND GOVERNANCE ("ESG") COMMITTEE:

During the Financial Year ended on March 31, 2024, the Company contributed an amount of ₹ 133.07 mio. (Rupees One Hundred Thirty Three Million Seventy Thousand only) towards various CSR activities. The CSR and ESG Committee confirmed that the implementation and monitoring of the

CSR Policy was done in compliance with the CSR objectives and policy of the Company.

Pursuant to and in compliance with section 135 of the Act read with section 134(3)(o) and rule 5 of The Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the **CSR Rules**"), the Board has constituted a CSR and ESG Committee. CSR Policy is placed on the Company's website. During the year, no revision was made to the CSR Policy. The details of the CSR and ESG Committee constitution, CSR activities and other details, as required under section 135 of the Act and the CSR Rules, are given in the CSR Report at **Annexure-C**.

A synopsis of the report of the Independent Agency for the CSR Project, to which Impact Assessment is applicable in terms of the provisions of section 135 of the Act read with rules made thereunder, is provided in the CSR Report.

RISK MANAGEMENT:

Pursuant to and in compliance with the provisions of section 134(3)(n) of the Act and regulation 21 of the Listing Regulations, the Company has constituted a Risk Management Committee ("**RMC**"). The details of the RMC and its terms of reference are set out in the Corporate Governance Report, which forms a part of this Annual Report.

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and take advance actions to prevent or mitigate them. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks. The Company has framed a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure.

During the Financial Year ended on March 31, 2024, the Company has reviewed its Risk Management Policy and no revision was made in the said Policy.

Discussion on risks and concerns is covered in the MDA, which forms a part of this Annual Report.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

Pursuant to and in compliance with the provisions of section 134(5)(e) of the Act read with rule 8(5) of the Account Rules, the Company has designed and implemented a process driven framework for Internal Financial Controls ("**IFC**"). For the Financial Year ended on March 31, 2024, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved internal controls whenever the effect of such gaps would have a material effect on the Company's operations.

The Company has a well-placed, proper and adequate IFC system, which ensures:

- Orderly and efficient conduct of its business,
- Safeguarding of its assets,
- Prevention and detection of frauds and errors,
- Accuracy and completeness of the accounting records and
- Timely preparation of reliable financial information.

The Board reviews the effectiveness of controls documented as a part of IFC framework and takes necessary corrective and preventive actions wherever weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and the Information Technology environment.

Based on this evaluation, no significant events had come to notice during the Financial Year ended on March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our IFC. The management has also come to a conclusion that the IFC and other financial reporting was effective during the Financial Year ended on March 31, 2024 and is adequate considering the business operations of the Company. The Statutory Auditors of the Company have audited the IFC with reference to Financial Reporting and their Audit Report is annexed as an Annexure to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements.

MANAGING RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:

i. Vigil Mechanism / Whistle Blower Policy:

The Company has built a reputation for doing business with honesty and integrity and it has zero tolerance for any type of unethical behavior or wrongdoing. The Company has in place a stringent vigil system to report unethical behavior in order to promote professionalism, fairness, dignity and ethical behavior in its employees.

Pursuant to and in compliance with the provisions of section 177(9) of the Act, rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and regulation 22 of the Listing Regulations, the Company has established vigil mechanism and framed Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy and Insider Trading Regulations. The Board at its meeting held on May 17, 2024 amended the Whistle Blower Policy to widen the coverage of the policy to cover all the stakeholders. The Whistle Blower Policy is uploaded on Company's website and the weblink of the same is provided in a separate section of Corporate Governance Report on Page No. 145, which forms a part of this Annual Report.

ii. **Zydus Business Conduct Policy:**

The Company has framed "Zydus Business Conduct Policy" ("**Business Conduct Policy**") and is monitored by the President-Group Human Resources. Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the Business Conduct Policy. The objective of the Business Conduct Policy is to conduct the business in an honest, transparent and ethical manner. The Business Conduct Policy provides for anti-bribery and avoidance of other corrupt practices by the employees of the Company.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has constituted an Internal Complaints Committee as required under the said Act.

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment.

The Company periodically conducts sessions for employees across the Company to build awareness about the Policy and the provisions of the said Act.

Complaints of sexual harassment received by the Company are investigated in accordance with the procedures prescribed and adequate steps are taken to resolve them. During the Financial Year ended on March 31, 2024, 1 (one) complaint was received and the same was resolved. No complaint was pending to be resolved as at March 31, 2024.

ANNUAL RETURN:

Pursuant to and in compliance with the provisions of section 92(3) read with section 134(3)(a) of the Act, Annual Return for the Financial Year ended on March 31, 2024, in prescribed Form No. MGT-7 is available on the website of the Company at https://www.zyduslife.com/investor/admin/uploads/14/1/2023---2024.pdf. The Annual Return will be filed with the Registrar of Companies within prescribed time frame.

PARTICULARS OF EMPLOYEES:

The information required under section 197(12) of the Act and rule 5(1) of Managerial Personnel Rules is provided in **Annexure-D**.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Act read with rule 8(3) of the Accounts Rules, is provided in **Annexure-E**.

GENERAL DISCLOSURES:

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134(3) of the Act and rule 8 of the Accounts Rules to the extent the transactions took place on those items during the Financial Year ended on March 31, 2024.

During the Financial Year ended on March 31, 2024, the Company has not-

(i) issued any shares, warrants, debentures, bonds or any other convertible or non-convertible securities,

(ii) issued any shares with differential voting rights,

(iii) issued any sweat equity shares and

(iv) made any changes in voting rights.

There are no proceedings initiated / pending against your Company under the Insolvency and Bankruptcy Code, 2016 which can materially impact the business of the Company.

There were no instances where your Company required the valuation for a one-time settlement or while taking the loan from the Banks or Financial institutions.

The equity shares of the Company were not suspended for trading during the Financial Year ended on March 31, 2024.

Disclosure pertaining to explanation for any deviation or variation in connection with certain terms of public issue, right issue, preferential issue, etc. is not applicable to the Company.

There were no revisions of the financial statements and the Board's Report during the Financial Year ended on March 31, 2024.

No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in the future during the Financial Year ended on March 31, 2024.

In terms of section 134(3)(l) of the Act, apart from what is mentioned in this report, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this report.

ACKNOWLEDGMENT:

Your Directors place on record their sincere appreciation for the continued co-operation and support extended to the Company by various Banks. Your Directors also thank the medical fraternity and patients for their patronage to the Company's products. Your Directors also place on record sincere appreciation of the continued hard work put in by the employees at all levels. Your Directors also thank the Company's vendors, investors, business associates, Stock Exchanges, banks, financial institutions, Government of India, State Governments and various departments and agencies for their support and co-operation.

Your Directors appreciate and value the contribution made by every member of the Zydus group.

On behalf of the Board of Directors

Pankaj R. Patel
Chairman
DIN: 00131852

Place : Muscat, Oman
Date : May 17, 2024

Annexure-A

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of The Companies Act, 2013 and rule 8(2) of The Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act, including certain arm's length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not on an arm's length basis:

There were no contracts or arrangements or transactions entered into with related parties during the Financial Year ended on March 31, 2024, which were not on an arm's length basis.

B. Details of material contracts or arrangements or transactions on an arm's length basis:

Sr. No.	Name of the Related Party and Nature of Relationship	Nature of contract / arrangement or transaction	Duration of contract / arrangement or transaction	Salient terms of the contract / arrangement or transaction, including value, if any.	Dates of approval by the Board of Directors	Amount paid as advance, if any.
1.	Zydus Pharmaceuticals USA Inc., USA (a wholly owned subsidiary company)	Supply and Distribution Agreement	On-going	Pricing of supply of products based on relevant guidelines of transfer pricing. During the Financial Year ended on March 31, 2024, the aggregate value of transactions is ₹ 64,111.00 mio.	March 30, 2023	Nil

On behalf of the Board of Directors

Pankaj R. Patel
Chairman
DIN: 00131852

Place : Muscat, Oman
Date : May 17, 2024

Annexure-B

Secretarial Audit Report of Zydus Lifesciences Limited (Form MR - 3)

For the Financial Year ended on March 31, 2024

(Pursuant to section 204(1) of The Companies Act, 2013 and rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members
ZYDUS LIFESCIENCES LIMITED
(CIN: L24230GJ1995PLC025878)
'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej - Gandhinagar Highway,
Ahmedabad – 382481

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ZYDUS LIFESCIENCES LIMITED** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equities) Regulations, 2021;

   e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

   I. Secretarial Standards issued by The Institute of Company Secretaries of India.

   II. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

VI. **We further report that** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the provisions of The Drugs and Cosmetics Act, 1940 and Rules made thereunder, as is specifically applicable to the Company.

We further report that:

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

b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following events / actions have taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

a. The Board of Directors of the Company at their meeting held on February 9, 2024 has approved the Buy-back of 5,970,149 fully paid up equity shares having face value of ₹ 1.00/- each, from the members of the Company at a price not exceeding ₹ 1,005/- per Equity Share ("**Maximum Buyback Price**"), and for an aggregate amount not exceeding ₹ 6,000 million ("**Maximum Buyback Size**"), which was less than 10% of the paid-up capital and free reserves of the Company as per the Audited Financial Statements as on March 31, 2023, through Tender Offer route, in accordance with the provisions of SEBI (Buyback of Securities) Regulations, 2018 and the Companies Act, 2013 and Rules made thereunder ("**Buyback**"). At the Maximum Buyback Price and for the Maximum Buyback Size, the indicative maximum number of Equity Shares to be bought back was to be 5,970,149 equity shares ("**Maximum Buyback Shares**") (comprising 5.28% of the paid-up equity share capital and free reserve). Pursuant to the aforesaid Buyback offer, the Company has bought back 5,970,149 equity shares at aggregate amount of ₹ 6,000 million at price of ₹ 1,005/- per equity share. The Buyback period commenced from February 29, 2024 and ended on March 6, 2024. Post buyback, the paid up capital of the Company stand reduced to ₹ 1,006,233,990/- divided into 1,006,233,990 Equity shares of ₹ 1/- each.

b. The Board of Directors of the Company at their meeting held on October 31, 2023 approved the Sale and Purchase Agreement ("**SPA**") amongst the Sellers (as defined in the SPA), certain individuals, the Company and Zydus Pharmaceuticals UK Limited, United Kingdom ("**Zydus UK**"), a wholly owned subsidiary of the Company. Pursuant to the SPA executed on October 31, 2023 Zydus UK purchased the entire share capital of LiqMeds Worldwide Limited, LiqMeds Limited, Medsolutions (Europe) Limited, LiqMeds Lifecare Limited and LM Manufacturing Limited (collectively referred to as "the **Target Companies**") on terms and conditions as mentioned in the SPA for consideration of GBP 68.00 million (Equivalent ₹ 7,070 million approx.). The said transaction of acquisition of shares was consummated on November 6, 2023.

Barring this, during the audit period, no other events / actions has taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For, **MANOJ HURKAT & ASSOCIATES**
Practicing Company Secretaries
FRN: P2011GJ025800
PR Certificate No.: 600/2019

MANOJ R HURKAT
Partner
FCS No.4287, C P No.: 2574
UDIN: F004287F000353561

Place : Ahmedabad
Date : May 17, 2024

Note: This Report is to be read with our letter of even date which is annexed as **Annexure A** and form an integral part of this Report.

ANNEXURE A

To
The Members
ZYDUS LIFESCIENCES LIMITED
(CIN: L24230GJ1995PLC025878)
'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej - Gandhinagar Highway,
Ahmedabad – 382481

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

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The Secretarial audit was conducted in accordance with Auditing Standards issued by the Institute of Company Secretaries of India and in a manner which evolved such examinations and verifications as considered necessary and adequate for the said purpose.

For, **MANOJ HURKAT & ASSOCIATES**
Practicing Company Secretaries
FRN: P2011GJ025800
PR Certificate No.: 600/2019

MANOJ R HURKAT
Partner
FCS No.4287, C P No.: 2574
UDIN: F004287F000353561

Place : Ahmedabad
Date : May 17, 2024

Annexure-B1

Secretarial Audit Report of Zydus Healthcare Limited (Form MR - 3)

For the Financial Year ended on March 31, 2024

(Pursuant to section 204(1) of The Companies Act, 2013 and rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members
ZYDUS HEALTHCARE LIMITED
'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej - Gandhinagar Highway,
Ahmedabad – 382481

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zydus Healthcare Limited** (hereinafter called "the **Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives in electronic form and on physical verification of records during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure I for the financial year ended on March 31, 2024 according to the provisions of:

i) The Companies Act, 2013 ("**Act**") and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

   e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

   h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

   i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

However, it is reported that there were no instances requiring compliance with the provisions of the laws indicated at para (v) mentioned hereinabove during the period under review as said regulations were not applicable to the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

However, it was noted that since securities of the Company are not listed on any recognized stock exchange, clauses of listing agreement and rules of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 were not applicable except the regulations applicable to material subsidiary of a listed entity.

vi. **We further report that** having regard to the compliance management system prevailing in the Company in relation to other applicable sector specific laws, we have relied on the confirmations of compliances placed before the board which were made available to us for our verification and were considered as assurance for existence of proper compliance management system.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other applicable laws mentioned hereinabove. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under laws and regulations applicable to the Company mentioned hereinabove.

We report that the Board of Directors of the Company is duly constituted with proper balance of the Executive Directors and the Non-executive Directors (Independent and Non-independent).

We further report that during the year under review, on attaining the age of retirement, Mr. N. V. Chalapathi Rao, ceased to be the Chief Financial Officer ("**CFO**") and Key Managerial Personnel ("**KMP**") of the Company after close of business hours of May 16, 2023 and Mr. Arvind Bothra was appointed as CFO and KMP of the Company with effect from May 17, 2023.

Adequate notices are given to all the Directors to schedule the Board and the other Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting Members' views are captured and recorded as part of the minutes, wherever required.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Signature:
Name of practicing CS: Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No.: F3544
C P No: 2356
PR No.: 702/2020
UDIN: F003544F000356105

Place : Ahmedabad
Date : May 13, 2024

Note: This report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

Annexure I to the Secretarial Audit Report of Zydus Healthcare Limited

To
The Members
ZYDUS HEALTHCARE LIMITED
'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej - Gandhinagar Highway,
Ahmedabad – 382481

Dear Sir,

Sub.: Secretarial Audit Report for the Financial Year ended on March 31, 2024

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

   The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. The verification of the correctness and appropriateness of financial records and Books of accounts of the company was falling within the purview of statutory auditors and therefore, we have relied on the audit carried out by them.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:
Name of practicing CS: Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No.: F3544
C P No: 2356
PR No.: 702/2020
UDIN: F003544F000356105

Place : Ahmedabad
Date : May 13, 2024

Annexure-B2

Secretarial Audit Report of Zydus Animal Health and Investments Limited (Form MR - 3)

For the Financial Year ended on March 31, 2024

(Pursuant to section 204(1) of The Companies Act, 2013 and rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
ZYDUS ANIMAL HEALTH AND INVESTMENTS LIMITED
CIN: U24236GJ2018PLC102269
Zydus Corporate Park, Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, Ahmedabad 382481

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s ZYDUS ANIMAL HEALTH AND INVESTMENTS LIMITED** (hereinafter called 'the **Company**') (formerly known as Violio Pharmaceuticals Limited and then Violio Pharmaceuticals and Investments Limited). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit through electronically by way of scan copy or soft copy through mail or otherwise, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, generally complied with the material statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined through electronically by way of scan copy or soft copy through mail or otherwise, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;

(ii) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.

(v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

During the period under review, the Company has generally complied with all the material aspects of the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Further being a Pharmaceutical Company (Animal Healthcare), Biological Diversity Act, 2002 and their Rules are applicable to the Company, for which examination of the relevant documents and records, on test check basis, have been carried out.

During the Period under review, provisions of the following regulations were not applicable to the Company:

i. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021;

   (e) Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021;

(f) SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016 and 2021; and

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ("**SEBI (LODR) Regulations, 2015**") as the Company is Unlisted Company. However, the Company is defined as material subsidiary company under Regulation 16(1)(c) of SEBI (LODR) Regulations 2015. The Company is also defined as wholly owned subsidiary company of Zydus Lifesciences Limited, being a Listed Company.

I further report that –

The Compliance by the Company of applicable financial laws and direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors, as on close of the financial year.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the year, all decisions in the Board Meetings were carried unanimously.

I further report that during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

1. The Company has acquired 6,506,500 (six million five hundred six thousand five hundred) fully paid up equity shares of Mylab Discovery Solutions Private Limited ("**Mylab**" or "**Target**") having face value of ₹ 1.00/- (Rupee One only) each at an agreed consideration of ₹ 1,060 million (Rupees One Thousand Sixty Million only) representing 6.5% of the total paid-up equity share capital of Mylab, from Rising Sun Holdings Private Limited ("the **Seller**").

Signature:
Name of Company Secretary in practice: Tapan Shah
FCS No.: 4476
C P No.: 2839
UDIN: F004476F000333101
PR No.: 673/2020

Place : Ahmedabad
Date : May 10, 2024

Note: This Report is to be read with my letter of above date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members,
ZYDUS ANIMAL HEALTH AND INVESTMENTS LIMITED
CIN: U24236GJ2018PLC102269
Zydus Corporate Park, Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, Ahmedabad 382481

My report of the above date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:
Name of Company Secretary in practice: Tapan Shah
FCS No.: 4476
C P No.: 2839
UDIN: F004476F000333101
PR No.: 673/2020

Place : Ahmedabad
Date : May 10, 2024

Annexure-C

Annual Report on Corporate Social Responsibility ("CSR") activities

1. Brief outline on CSR Policy of the Company:

Pursuant to and in compliance with the provisions of section 135(4)(a) of the Act and rule 6 of the CSR Rules, the Company has framed a CSR Policy. The Company has outlined the following thrust areas in the CSR Policy:

i) Healthcare / Medical Facility
ii) Skill Development / Empowerment
iii) Community Development
iv) Education / Knowledge Enhancement
v) Infrastructure Development
vi) Environment Protection
vii) Others as may be decided

The Board, on the recommendation of the CSR and ESG Committee, approved the CSR spending, apart from others, for providing support in key areas like (a) healthcare, (b) education, (c) research and (d) environment.

The brief details of the CSR activities carried out under the above key areas are as under:

(₹ in mio.)

Sr. No.	CSR Area	Activity	Amount contributed
a.	**Healthcare**		
i.	Zydus Red Cross Experiential Centre	The Company in collaboration with Red Cross Society, established Zydus Red Cross Experiential Centre to create awareness for blood donation.	31.78
ii.	Donation of high end medical equipments	The Company donated high end medical equipments to the Institute of Medical Sciences (Banaras Hindu University) to provide quality healthcare services to the community.	9.24
	Total a (i + ii)		**41.02**
b.	**Education**		
i.	Renovation / re-building of school	The Company completed the first phase of renovation / re-building the Secondary Trust School, in the outskirts of Ahmedabad, to provide conducive education environment and platform for higher studies, for the under privileged students residing in the vicinity of Changodar, Gujarat.	14.31
ii.	Educational programs	The Company established two state-of-art Science Technology Engineering and Mathematics ("**STEM**") labs in two schools to encourage exploration and curiosity and foster a deeper engagement with scientific principles for the students. The said labs were inaugurated by Ms. Meha Patel, Vice Chairperson of Zydus Foundation, a section 8 wholly owned subsidiary of the Company. The Company participated in one of the largest science carnivals organized by Gujarat Council of Science City at Gujarat Science City. The Company's science stall was well appreciated. The said carnival served as the vibrant platform to showcase the diverse range of science projects.	2.21
		The Company provided scholarships to 100 meritorious and financially needy pharmacy students.	2.43

(₹ in mio.)

Sr. No.	CSR Area	Activity	Amount contributed
iii.	Skill development programs	The Company conducted various Skill development programs such as mobile repairing, bakery and pastry arts and photography vocational courses recognized under Skill India to impart the livelihood skills of specially abled students (deaf and mute) to achieve economic independence. The company conducted speech therapy sessions for addressing unique communication needs of deaf and mute students and educational activities in the school throughout the year. The Company conducted the training programs for specially abled teachers in the deaf and mute school. The Company conducted four months complete sewing course for under privileged women and gave a platform to empower women to become self-reliant. The Company provided platform for various NGOs to showcase their products created by artisans.	1.62
Total b (i + ii + iii)			**20.57**
c.	**Research**		
i.	Grass-root innovation program	The Company has launched grass-root innovation program to support innovators from Gujarat in various sectors like healthcare, environment / waste management, technology and engineering and water management.	2.57
Total c			**2.57**
d.	**Environment sustainability**		
i.	Banganga lake beautification and restoration of ghats	The Company restored the first phase of existing lake ghat of Banganga lake to increase the ground water level and protecting and preserving water reservoir and maintaining biodiversity. The lake was inaugurated by Hon'ble Chief Minister Mr. Bhupendra Patel and Mr. Pankaj Patel, Chairman of the Company.	68.35
ii.	Green Gujarat initiative	The Company launched Green Gujarat initiative wherein more than 15,000 (fifteen thousand) employees and 12,000 (twelve thousand) students participated to create 1.25 lacs tree native seed balls and dispersed through drone in the forest of Gandhinagar to increase green cover. The Company also carried out tree plantation at various sites. The Company initiated awareness program on waste management at various manufacturing locations to work towards climate change. The Company also introduced employee voluntary programs to engage employees in community service and philanthropic activities and carried out various community care programs.	0.56
Total d (i + ii)			**68.91**
Grand Total (a + b + c + d)			**133.07**

2. Composition of the CSR and ESG Committee:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of CSR and ESG Committee meetings Held	Attended
1.	Mr. Pankaj R. Patel	Chairman of the CSR and ESG Committee and Non-Executive Chairman	3	3
2.	Dr. Sharvil P. Patel	Member of the CSR and ESG Committee and Managing Director		3
3.	Ms. Dharmishtaben N. Raval	Member of the CSR and ESG Committee and Independent Director		3
4.	Ms. Upasana K. Konidela	Member of the CSR and ESG Committee and Independent Director		1
5.	Ms. Shelina P. Parikh	Member of the CSR and ESG Committee and Independent Director		N.A.

Note : The Board at its meeting held on May 17, 2024, passed a resolution to re-constitute the CSR and ESG Committee, by virtue of which Ms. Dharmishtaben N. Raval ceased and Ms. Shelina P. Parikh was inducted as a member w.e.f. May 17, 2024. Ms. Upasana K. Konidela was entitled to attend the meetings held after May 18, 2023. Ms. Shelina P. Parikh was not entitled to attend any meetings during the Financial Year ended on March 31, 2024.

3. Provide the web-link where composition of the CSR and ESG committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:

Composition of the CSR and ESG Committee: https://www.zyduslife.com/compcommittee#corporate

CSR Policy: https://www.zyduslife.com/public/pdf/companypolicy/Corporate-Social-Responsibility-Policy.pdf

CSR Projects approved by the Board: https://www.zyduslife.com/public/pdf/financial/CSR_Projects.pdf

4. Provide the executive summary along with web-links of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Impact Assessment on the various activities covered in 1st para above will be carried out within the time prescribed under the CSR Rules.

As far as the CSR activities carried out during the previous financial year, Soulace, an independent agency has carried out the Impact Assessment of the CSR Projects of the Company i.e. towards the contribution made by the Company to Zydus Foundation, in compliance with provisions of rule 8(3) of the CSR Rules. Said report is available on the website of the Company, the weblink of which is https://www.zyduslife.com/investor/admin/uploads/18/108/CSR-Impact-Assessment-Report.pdf.

Zydus Foundation offers high-quality tertiary care to the underserved population in Dahod and neighboring areas of Madhya Pradesh and Rajasthan. The research findings indicate that the services provided by Zydus Foundation are comparable to those of top corporate hospitals, with no compromise on quality despite being offered free of charge, as reported by the patients interviewed. Impact Assessment study reveals a high level of satisfaction amongst patients regarding the doctors, nursing staff, hospital ambience and affordability and accessibility of services.

5.

(a) Average net profit of the Company as per section 135(5):

₹ 15,105.00 mio. (Rupees Fifteen Thousand One Hundred Five Million only)

(b) Two percent of average net profit of the Company as per section 135(5):

₹ 302.10 mio. (rounded off to ₹ 303.00 mio.) (Rupees Three Hundred Three Million only)

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

Nil

(d) Amount required to be set off for the financial year, if any:

₹ 251.00 mio. (Rupees Two Hundred Fifty One Million only)

(e) Total CSR obligation for the financial year (b+c-d):

₹ 52.00 mio. (Rupees Fifty Two Million only)

6. (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing project):

₹ 133.07 mio. (Rupees One Hundred Thirty Three Million Seventy Thousand only)

(b) Amount spent in Administrative Overheads:

Nil

(c) Amount spent on Impact Assessment, if applicable:

₹ 0.50 mio. (Rupees Five Hundred Thousand only)

(d) Total amount spent for the Financial Year (a+b+c):

₹ 133.57 mio. (Rupees One Hundred Thirty Three Million Five Hundred Seventy Thousand only) (which includes ₹ 0.50 mio. (Rupees Five Hundred Thousand only) towards Impact Assessment)

(e) CSR amount spent or unspent during the Financial Year:

(₹ in mio.)

Total Amount Spent for the Financial Year	Amount unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of transfer
133.07	N.A.				

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

(₹ in mio.)

Sr. No.	Particulars	Amount
i.	Two percent of average net profit of the Company as per section 135(5)	303.00*
ii.	Amount set-off for the Financial Year	251.00^
iii.	Amount to be spent for the Financial Year [(i)-(ii)]	52.00
iv.	**Total amount spent for the Financial Year**	**133.07**
v.	Excess amount spent for the Financial Year [(iv)-(iii)]	81.07
vi.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
vii.	**Amount available for set off in succeeding financial years [(iv)-(v)]**	**81.07**

* Actual amount is ₹ 302.10 mio., however, the same is rounded to ₹ 303.00 mio. (Rupees Three Hundred Three Million only).

^ Details of amount set-off are provided in below table:

(₹ in mio.)

Sr. No.	Particulars	Amount
1.	Excess amount contributed towards CSR in Financial Year ended on March 31, 2021	531.00
2.	Amount set-off during Financial Year ended on March 31, 2022	100.00
3.	Amount set-off during Financial Year ended on March 31, 2023	180.00
4.	Amount set-off during Financial Year ended on March 31, 2024	251.00
5.	**Total (2+3+4)**	**531.00**

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Balance Amount in Unspent CSR Account under subsection (6) of section 135	Amount spent in the Financial Year	Amount transferred to a Fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
N.A.								

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

☐ Yes ☑ No

If yes, enter the number of capital assets created / acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity / authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
N.A.							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

Place : Muscat, Oman
Date : May 17, 2024

Pankaj R. Patel
Chairman of the Board and
the CSR & ESG Committee
DIN: 00131852

Sharvil P. Patel
Managing Director
DIN: 00131995

Annexure-D

Particulars of remuneration as per section 197(12) of The Companies Act, 2013 read with rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio of each Director to the median remuneration of the employee
Mr. Pankaj R. Patel	--
Dr. Sharvil P. Patel	521.74
Mr. Ganesh N. Nayak	243.48
Mr. Nitin R. Desai	5.22
Mr. Bhadresh K. Shah	5.22
Ms. Dharmishtaben N. Raval	5.22
Mr. Apurva S. Diwanji	5.22
Mr. Akhil A. Monappa	5.22
Ms. Upasana K. Konidela	5.22
Mr. Mukesh M. Patel	5.22

b. The percentage increase in remuneration of each Director, the Chief Financial Officer and the Company Secretary in the financial year:

Name of the Director, the Chief Financial Officer and the Company Secretary	% increase in the remuneration in the financial year
Mr. Pankaj R. Patel	--
Dr. Sharvil P. Patel	14.29
Mr. Ganesh N. Nayak	16.67
Mr. Nitin R. Desai	0
Mr. Bhadresh K. Shah	0
Ms. Dharmishtaben N. Raval	0
Mr. Apurva S. Diwanji	0
Mr. Akhil A. Monappa	200*
Ms. Upasana K. Konidela	200*
Mr. Mukesh M. Patel	0
Mr. Nitin D. Parekh, Chief Financial Officer	21.28
Mr. Dhaval N. Soni, Company Secretary	13.58

* Appointed w.e.f. November 29, 2022 and were paid proportionate commission of ₹ 1.00 mio. (Rupees One Million only) for the Financial Year ended on March 31, 2023.

c. The percentage increase in the median remuneration of employees for the Financial Year ended on March 31, 2024 was 4.99%.

d. There were 26,240 (twenty six thousand two hundred forty) permanent employees (on consolidated basis) on the rolls of the Company as on March 31, 2024.

e. The PAT for the Financial Year ended on March 31, 2024 increased by 91.39% and the average increase in remuneration of employees was 12.36%. After excluding the items of exceptional nature, the PAT for the Financial Year ended on March 31, 2024 increased by 47.56%.

f. The remuneration of Key Managerial Personnel, viz. (1) the Managing Director, (2) the Executive Director, (3) the Chief Financial Officer and (4) the Company Secretary increased by 14.29%, 16.67%, 21.28% and 13.58% respectively.

g. The average annual increase in the salaries of the employees other than managerial personnel was 12.36%, whereas the weightage average increase in the managerial remuneration was 11.13% for the Financial Year ended on March 31, 2024. The increase in remuneration was on the recommendation of the NRC considering the performance of the managerial personnel and the Company.

h. The members have at the AGM of the Company held on August 11, 2021, approved the payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the Company, subject to maximum of ₹ 40.00 mio. (Rupees Forty Million only) in aggregate, computed as per the provisions of section 198 of the Act. This resolution is valid for a period of 5 (five) years i.e. Financial Year starting from April 1, 2021 and ending on March 31, 2026. The performance of the Company in terms of sales and profitability are the key parameters, apart from the size of the Company and contributions of the Directors at the Board and Committee meetings.

i. The Company affirms that remuneration is as per the Nomination and Remuneration Policy of the Company. There is no employee drawing remuneration in excess of the remuneration of the Managing Director and the Executive Director.

j. The statement containing particulars of employees as required under section 197(12) of the Act read with rules 5(2) and 5(3) of Managerial Personnel Rules, is provided in a separate annexure which forms a part of this Annual Report. Pursuant to the provisions of section 136 of the Act, the said annexure is open for electronic inspection. The Annual Report is being sent to the members excluding the aforesaid separate annexure. Any member interested in obtaining a copy of the same may write to the Company Secretary.

On behalf of the Board of Directors

Pankaj R. Patel
Chairman
DIN: 00131852

Place : Muscat, Oman
Date : May 17, 2024

Annexure-E

Information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to section 134(1)(m) of The Companies Act, 2013 read with rule 8(2) of The Companies (Accounts) Rules, 2014.

The Company is making continuous efforts to conserve energy by adopting innovative measures to reduce wastage and optimize consumption. Amongst others, below are some of the specific steps taken by the Company towards conservation of energy at its various locations.

A. Energy conservation measures and technology absorption measures and benefits derived:

Sr. No.	Measures	Investment (₹ in mio.)	Annual Energy Saving		Monetary Savings (₹ in mio.)
			Electrical Energy (MWh)	Fuel Energy (Ton)	
A.	**Energy saving by improvement / modification:**				
1.	Reduction in heat loss by providing insulation across water for injection (WFI) storage tank.	0.07	2.2	NA	0.02
2.	Reduction in energy consumption by catering IT and UPS room by AHU in place of 03 DX AC units.	0	7.6	NA	0.07
3.	Reduction in chiller energy consumption by regulating (increase) AHU temperature set point temperature for FG store of Facility 02.	0	6.75	NA	0.06
4.	Fuel energy savings by operating stainless steel reactor (SSR) - 1212 and 1214 of CP plant on UPS supply in place of CNG fuelled DG set during grid power failure.	0.35	NA	15	0.45
5.	Optimizing the operating frequency of Effluent Treatment Plant (ETP) blower frequency from 43 Hz to 38 Hz.	0	40.4	NA	0.35
6.	Optimizing the operating capacity of one 1000TR chiller and stoppage chiller operation of anticancer plant by providing interconnection between Chilled water line of Anticancer plant and OSD plant.	0.50	120	NA	0.87
7.	Optimizing the operating capacity of one water pre-treatment plant by providing interconnection between Injection and OSD plant and stopping the operation of another water treatment plant.	0.06	66.1	NA	0.48
8.	Energy savings by utilizing exhaust air of air handling units to cool UPS room by installing separate duct.	0.04	26.1	NA	0.19
9.	Interconnection of Chiller system of VTC and MR facilities to optimize the energy consumption.	4.31	264	NA	2.40
10.	Interconnection of Compressed air system of VTC and MR facilities to optimize the energy consumption.	1.11	247	NA	2.25
11.	Optimizing the operation of one air compressor by providing interconnection between compressed air system of Line 1 & 2 and stopping the operation of another compressor.	0	24	NA	0.19
12.	Replacement of electric heater with hot water coil in ZB Unit 1 AHUs (11Nos.) to achieve electrical energy savings.	4.00	235	NA	1.96

Sr. No.	Measures	Investment (₹ in mio.)	Annual Energy Saving		Monetary Savings (₹ in mio.)
			Electrical Energy (MWh)	Fuel Energy (Ton)	
13.	Reduced load on main chilled water pump and providing required flow and head at farthest user point.	0.31	50	NA	0.36
14.	Optimizing the energy consumption of chiller water pump by trimming its impeller.	0.03	97.2	NA	0.62
15.	Optimizing the energy consumption of admin area by replacing 12no's of cassette AC with one Air Handling Unit (AHU).	0.62	36.3	NA	0.34
16.	Installation of Standalone dust collector in place of Inline dust collector across Air Handling Units (AHU) No:01 and 05 by reconfiguration of AHU to reduce energy consumption.	1.20	100.6	NA	0.90
17.	Reduction in fuel consumption by improving boiler efficiency with following steps: (a) Automated operation of ID Fan, FD fan and fuel feeding system on the basis of Oxygen %. (b) Utilisation of waste heat in flue gases for water preheat. (c) Installation of auto blowdown feature.	5.50	NA	624	5.14
18.	Energy saving by stopping Supply (FDV 1)/ return (FDV 02) and connecting them to AHU 32 to cater the requirements in General OSD area.	0.45	91.8	NA	0.85
19.	Energy Savings by refurbishment and overhauling of condenser copper tubes in 02 no's chiller units to improve overall chiller efficiency.	8.11	720	NA	6.48
20.	Reduction in chiller energy consumption by increasing the set temperature by 02 Deg. Celsius. of Air Handling Unit (AHU) of line: 05 CNC.	0.20	14.4	NA	0.13
21.	Conversion of line 05 Cooling tower makeup tank operation from manual mode to atomization mode.	0.05	7.3	NA	0.07
Total (A)		**26.91**	**2,156.80**	**639.00**	**24.17**
B.	**New Technology Adoption**				
1.	Installation of variable frequency drive (VFD) across various units i.e. Induced Draft Fan (ID) / Forced Draft Fan (FD), water pumps etc. to optimize head and flow and reduced energy consumption.	0.34	82.9	NA	0.65
2.	Replacement of 17 no's conventional air handling unit (AHU) fan with highly efficient EC fan (Electronically Commutated fan) to reduce energy consumption.	3.36	212.1	NA	1.84
3.	Replacement of Old Exhaust fan with new Energy efficient Fan in HT room to reduce power consumption.	0.01	2.3	NA	0.02
4.	Installation of auto tube cleaning system on Trane chiller to improve chiller performance.	1.83	481.2	NA	4.35
5.	Energy savings by providing timer on exhaust fan, Wall Fan, Light at Service floor and Pantry room fan.	0.11	30.7	NA	0.27
6.	Replacement of old Split AC with new 5 Star Cassette AC in Admin Conference.	0.15	1.8	NA	0.01
7.	Installation of heat pump to provide heat for water instead of using steam produced by fuel consumption to achieve savings in fuel consumption.	3.50	NA	840	2.67
8.	Electrical energy savings by regulating the temperature of ASRS - I, ASRS - IV and QC retain sample storage areas by installing temperature controllers across air handling units (AHU).	0.10	128.1	NA	1.04

Sr. No.	Measures	Investment (₹ in mio.)	Annual Energy Saving		Monetary Savings (₹ in mio.)
			Electrical Energy (MWh)	Fuel Energy (Ton)	
9.	Optimization of Lighting by installation of LED light with Motion sensor at technical area of GN 1 to 5, mfg. facility and Admin QC technical area.	0.45	86.6	NA	0.77
10.	Replacement of conventional lights with LED lights for various applications across manufacturing areas, offices etc.	0.49	56.9	0.0	0.50
11.	Electrical Energy Savings by configuration of Automatic Power Factor Controller (APFC) unit for auto mode in place of manual operations.	0.10	24	NA	0.22
Sub Total (B)		**10.40**	**1,107**	**840.00**	**12.30**
Total (A+B)		**37.31**	**3,263.80**	**1,479.00**	**36.47**

B. Steps taken by the Company for utilizing alternative source of energy:

The Company has taken various steps for utilizing alternative sources of energy. Amongst others, below are some of the specific steps taken:

a. Generated solar energy by installing solar plant of >1000kWp.

b. Utilised heat pump in place of boiler steam to cater certain hot water applications.

c. Utilised hybrid power (Wind & Solar) through open access by power purchase agreement >15MW.

d. Replaced coal with biomass briquet as primary fuel to generate steam in boiler.

C. Details of technology imported (imported during the last 3 years reckoned from the beginning of the financial year):

The Company has imported technology as per the details provided hereunder:

a. Continuous coater with capacity of 1,000 kg per hour

b. Granules and tablet transfer system with Gentle Transfer Chute technology

c. 1.8 KL end to end integrated granulation line

d. Process Analytical Technology-Near Infrared for online Blend Homogeneity and Loss on Drying measurement

The above technologies will be absorbed in 2026.

D. The Company has made capital investment of ₹ 37.30 mio. (Rupees Thirty Seven Million Three Hundred Thousand only) on energy conservation equipments.

E. Expenditure incurred on Research and Development:

The Company has incurred expenditure of ₹ 8,974 mio. (Rupees Eight Thousand Nine Hundred Seventy Four Million only) towards Research and Development.

F. Foreign Exchange Earnings and Outgo:

During the Financial Year ended on March 31, 2024, the foreign exchange earned in terms of actual inflows was ₹ 84,117 mio. (Rupees Eighty Four Thousand One Hundred Seventeen Million only), whereas the foreign exchange in terms of actual outflows was ₹ 19,274 mio. (Rupees Nineteen Thousand Two Hundred Seventy Four Million only).

On behalf of the Board of Directors

Pankaj R. Patel
Chairman
DIN: 00131852

Place : Muscat, Oman
Date : May 17, 2024

Corporate Governance Report

Company's Philosophy on Corporate Governance:

Zydus Lifesciences Limited ("the **Company**") believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and independent Directors on the Board of Directors ("the **Board**"), adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("the **Listing Regulations**").

Transparency

We believe that transparency is important for healthy and self-sustaining growth. It also promotes deep and long-standing trust amongst our stakeholders. We endeavour to demonstrate highest levels of transparency.

Fairness

We practice fair play and integrity in our transactions with all stakeholders. We conduct ourselves in an equitable manner.

Accountability

We believe that accountability is about holding ourselves responsible for what we do. By means of openness and transparency, we consider ourselves accountable to the entire universe of stakeholders including our patients, healthcare professionals, customers and channel partners, employees, investors and members, communities, business associates, government and regulators and suppliers.

1. Governance Structure:

The governance structure of the Company comprises of the Board and the committees of the Board at the top level and the internal governance structure at the operational level. The responsibility of the Board is to determine the overall corporate objectives and give direction and freedom to the management to achieve those objectives within a given framework. The Board is responsible to formulate long-term strategic plan and strategy and monitor its implementation, monitor effectiveness of Company's Corporate Governance practices and exercise effective control of the functioning of the Company to ensure fulfilment of stakeholders' expectation and long-term value creation. The organizational governance structure enables an environment for value creation through sustainable and profitable growth.

The governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility.

The primary role of the Board is to protect the interest and enhance the value for all the stakeholders. It conducts the overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision-making process to be followed. The Board committees oversee specialized areas of operations and provide recommendation based on expertise. The management implements the policies, procedures and manages day-to-day operations. The Board takes an active part in the deliberations of the Board meetings and provides guidance and advice to the management on various aspects of business.

The Chairman and the Managing Director are in overall control and responsible for the overall working of the Company. They give strategic directions, lay down the policy guidelines and ensure the implementation of the decisions of the Board and its Committees. The Managing Director and the Executive Director are responsible for leading and directing the Company's overall operations. The Managing Director reports to the Board and the Executive Director reports to the Managing Director.

The governance system encourages entrepreneurship, risk taking and growth orientation with an objective to lead full accountability enabled by appropriate empowerment.

2. Board of Directors:

The Board has the ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Managing Director and the Executive Director look after the day-to-day business affairs of the Company. The Board reviews the overall business operations at least once in a quarter based on updates on the Company's performance provided by the Managing Director, the Chief Financial Officer and other senior executives of the Company.

A. Composition of the Board:

The composition of the Board is in compliance with the provisions of regulation 17(1) of the Listing Regulations and sections 149 and 152 of The Companies Act, 2013 ("the **Act**"). The Board is headed by Non-Executive Non-Independent Chairman, Mr. Pankaj R. Patel, who is also the promoter Director. As at March 31, 2024, your Company's Board comprised of 10 (ten) Directors who have considerable experience in their respective fields, the details of which are provided in below table:

Sr. No.	Category of Directors	Number of Directors	% age
1.	Independent Directors	6	60
	a. Woman Independent Directors (out of 1 above)	2	20
2.	Executive Directors	2	20
3.	Non-Executive Directors	2	20
4.	**Total (1+2+3)**	**10**	**100**

As required under the provisions of section 149(1) of the Act and Rules made thereunder and regulation 17 of the Listing Regulations, the constitution of Board meets with the requirements stated therein. Non-Executive Directors and Independent Directors ("**IDs**") have expert knowledge in the fields of finance, taxation, legal, IT, HR, CSR & ESG, business and management and industry. Thus, the Board represents a judicious mix of entrepreneurs and professionals, who bring the benefits of their knowledge, expertise and competence and enable the Board to discharge its responsibilities and provide effective leadership to the business. Profile of all the Directors is available on the website of the Company. The weblink of the same is provided separately under this report on page No. 145.

All the Directors on the Board of the Company comply with the provisions of:

i. regulation 17(1D) of the Listing Regulations, with respect to their appointment by the shareholders at a general meeting and

ii. regulation 17A of the Listing Regulations, with respect to maximum number of directorships.

Various details of the Board and its committees, as on May 17, 2024, are provided in the below table:

Board Composition	
Board size	11
Non-Independent Directors	4
Independent Directors	7
Gender diversity	
Women	27%
Men	73%
Average age	60.82 years
Average board tenure	11.59 years
Average tenure-Independent Directors	5.51 years
Number of Board meetings	5
Board attendance %	88.00%
Number of committee meetings	57
Committee attendance %	97.34%
Age diversity	
30 - 39	9.09%
40 - 49	18.18%
50 - 59	18.18%
60 - 69	27.27%
70 - 79	18.18%
80 - 89	9.09%
Board Chairperson	Non-Executive Director
Separate role of Chairperson & MD	Yes
Board evaluation	Annual
Board re-election	
Independent Directors	Fixed term of 5 years (upto 2 terms)
Executive & Non-Executive Directors	Annual retirement by rotation (1/3rd of 2/3rd)

Audit Committee Independence	
Independent Directors	100.00%

Nomination and Remuneration Committee ("NRC") Independence	
Independent Directors	100.00%

IDs are non-executive directors as defined under regulation 16(1)(b) of the Listing Regulations read with section 149(6) of the Act and Rules made thereunder. Pursuant to and in compliance with the provisions of regulation 25(8) of the Listing Regulations, the IDs have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impact or impair their ability to discharge their duties. The Board has verified the veracity of disclosures received from IDs and confirmed that they meet the criteria of independence as prescribed under regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. The IDs have confirmed that they have registered themselves with ID's Database maintained by The Institute of Corporate Affairs. None of the IDs of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them, is not applicable.

There were no conflicts of interest of IDs with the Company.

None of the ID-

i. is employed by the Company in an executive capacity in last 5 (five) years,

ii. is a family member of an individual who is or during last 3 (three) years was employed by the Company or any subsidiary company as an executive officer,

iii. is an advisor or consultant to the Company or a member of the Company's senior management,

iv. is affiliated with a significant customer or supplier of the Company,

v. has any personal service contract with the Company or a member of the Company's senior management,

vi. is affiliated with a not-for-profit entity that receives significant contributions from the Company,

vii. is a partner or employee of the Company's statutory auditors during the past 3 (three) years,

viii. accepts or have a family member who accepts any payments from the Company or any subsidiary company and

ix. has any other conflict of interest that the Board itself determines to mean that he / she cannot be considered independent.

The Company shall always maintain a minimum of 50% IDs on the Board.

The Managing Director and the Executive Director are not serving as an ID in any listed company.

Mr. Pankaj R. Patel, Non-Executive Chairman is the father of Dr. Sharvil P. Patel, Managing Director. Except this, none of the directors are relatives of any other directors.

The Board has identified the below mentioned core skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

- Knowledge and / or expertise in one or more of areas like pharmaceuticals (including medical, pharmacology and research), manufacturing, accounts, finance, taxation, banking, Human Resources ("**HR**"), Information Technology ("**IT**"), marketing, law, business and management.

The above core skills / expertise / competencies identified by the Company are also actually available with the Board as under:

Sr. No.	Name of the Director	Skills actually available with the Directors
1.	Mr. Pankaj R. Patel	Knowledge and expertise in pharmaceuticals (including medical, pharmacology and research), manufacturing, marketing, business and management
2.	Dr. Sharvil P. Patel	
3.	Mr. Ganesh N. Nayak	Knowledge and expertise in pharmaceuticals, marketing, business and management
4.	Mr. Nitin R. Desai	Knowledge and expertise in business and management
5.	Mr. Bhadresh K. Shah	Knowledge and expertise in manufacturing, marketing, business and management
6.	Ms. Dharmishtaben N. Raval	Knowledge and expertise in law
7.	Mr. Apurva S. Diwanji	Knowledge and expertise in law
8.	Mr. Akhil A. Monappa	Knowledge and expertise in finance and IT
9.	Ms. Upasana K. Konidela	Knowledge and expertise in HR, IT and CSR
10.	Mr. Mukesh M. Patel	Knowledge and expertise in taxation
11.	Ms. Shelina P. Parikh	Knowledge and expertise in business and management and CSR

Note Ms. Shelina P. Parikh was appointed as an Additional Director as well as ID w.e.f. May 17, 2024, subject to approval of members at the ensuing Annual General Meeting ("**AGM**").

The eligibility of a person to be appointed as a Director of the Company is dependent on possession of the requisite skills, as identified by the Board.

B. Board meetings / Directors' particulars:

Pursuant to and in compliance with regulation 17(2) of the Listing Regulations and section 173(1) of the Act, the Board meets at least once in each quarter and the gap between any 2 (two) Board meetings was not more than 120 (one hundred twenty) days. During the Financial Year ended on March 31, 2024, 5 (five) Board meetings were held on May 18, 2023, August 11, 2023, October 31, 2023, November 7, 2023 and February 9, 2024. Out of them, 3 (three) meetings were held through video conferencing and 2 (two) meetings were held physically at the registered office of the Company. The necessary quorum was present in all the Board meetings.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly / half yearly / yearly, unaudited / audited financial results, unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure and ensures compliance of applicable laws and regulations. It monitors the overall performance of the Company and reviews the performance of its subsidiaries and joint ventures. The agenda for the Board meeting covers items set out as guidelines in regulation 17 of the Listing Regulations to the extent the same are applicable and relevant. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

The Board meetings are scheduled well in advance, in consultation with the Directors, to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. Minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from this, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. The physical meetings are usually held in Ahmedabad, where the Registered Office of the Company is situated. The Chief Financial Officer and the Company Secretary, in consultation with the Chairman and the Managing Director, prepare detailed agenda for the meetings. Directors are also free to bring up any other matter for discussion at the Board meetings with the permission of the Chairman. Any other business which may come up after circulation of agenda papers is placed before the Board by way of the table agenda. In case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted under the law, which is ratified in the subsequent Board meeting. The Board approved 4 (four) resolutions by circulation, vide resolutions dated July 19, 2023, July 24, 2023, September 22, 2023 and March 30, 2024.

Moreover, certain urgent matters are also being taken up at a Board meeting which are held at a shorter notice. With the unanimous consent of the Board, unpublished price sensitive information is circulated to directors at shorter notice.

The Company Secretary is responsible for convening Board and Committee meetings and preparation of respective agenda papers. The Company Secretary attends all the meetings of the Board and its Committees and ensures appropriate recording of the minutes of the meetings.

The draft minutes of all the meetings approved by the Chairman is circulated to all the Directors within 15 (fifteen) days after the conclusion of the meetings. Comments, if any, received from the Directors are incorporated in the minutes, in consultation with the Chairman. Decisions taken at Board / Committee meetings are communicated to the concerned departments promptly for actions and an Action Taken Report on the status of the decisions taken at the Board / Committee meetings is placed, for the information, to the Board / Committee members. The minutes of all Committee meetings are placed in the next Board meeting for noting.

The Board has complete access to the information within the Company, which *inter-alia* includes-

1. Annual revenue and capital expenditure plans / budgets,
2. Quarterly results and results of operations of Company, its subsidiaries and joint ventures,
3. All borrowings, investments, loans and guarantees,
4. Minutes of the meetings of the Board, Committees of the Board and minutes of the Indian subsidiary companies,
5. Details of any joint ventures, acquisitions of brands, trademarks or companies or any collaboration agreements,
6. Quarterly report on any fatal or serious accidents or dangerous occurrences and material effluent or pollution problems,
7. Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any,
8. Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company,
9. Compliance or non-compliance of any regulatory, statutory nature or listing requirements and matters related to investors' service such as non-payment of dividend, delay in transfer of shares, etc.

IDs play an important role in the deliberations in Board meetings and bring with them rich expertise in the field of industry, marketing, accountancy, finance, law, taxation, IT, HR, CSR and ESG and other areas.

While constituting the Committee of Directors, the requirements that a Director shall not be a member of more than 10 (ten) committees and Chairman of not more than 5 (five) committees have been ensured and complied with. None of the IDs serves as an ID in more than 7 (seven) listed companies. None of the Directors of the Company hold Directorship in more than 20 (twenty) companies, including 10 (ten) public companies. All Directors of the Company except the IDs are liable to retire by rotation. During the year under review, none of the IDs of the Company had resigned before the expiry of their respective tenure(s).

The following table gives the name of the Director, category and position, original date of appointment, tenure, attendance of the Director at the Board meetings, whether they have attended the last AGM, Chairmanship / Membership in Board committees of public companies and number of other Directorships held in Indian public limited companies (other than the Company) as at March 31, 2024.

Name of the Director and DIN	Category and position	Age and original date of appointment	Tenure (in years)	No. of Board meetings held during the year	No. of Board meetings attended	% of attendance	Whether attended last AGM	Member (Chairman) of Board Committees	No. of other Director-ships held
Mr. Pankaj R. Patel (DIN-00131852)	Non-Executive Chairman	71 years May 15, 1995	29	5	5	88%	Yes	3 (2)	4
Dr. Sharvil P. Patel (DIN-00131995)	Managing Director	46 years August 1, 1997	27		5		Yes	1	6
Mr. Ganesh N. Nayak (DIN-00017481)	Executive Director	69 years July 12, 2017	7		5		Yes	2 (1)	2
Mr. Nitin R. Desai (DIN-00140239)	Non-Executive and Independent Director	81 years May 6, 2011	13		3		Yes	2 (1)	1
Mr. Bhadresh K. Shah (DIN-00058177)	Non-Executive and Independent Director	72 years December 6, 2018	6		4		Yes	6	2
Ms. Dharmishtaben N. Raval (DIN-02792246)	Non-Executive and Independent Woman Director	68 years May 16, 2014	10		5		Yes	3 (2)	4
Mr. Apurva S. Diwanji (DIN-00032071)	Non-Executive and Independent Director	55 years May 13, 2016	8		4		Yes	3	1
Mr. Akhil A. Monappa (DIN-09784366)	Non-Executive and Independent Director	45 years November 29, 2022	1		4		Yes	1	1
Ms. Upasana K. Konidela (DIN-02781278)	Non-Executive and Independent Woman Director	37 years November 29, 2022	1		4		Yes	0	6
Mr. Mukesh M. Patel (DIN-00053892)	Non-Executive Director	69 years August 1, 1997	27		5		Yes	5 (4)	4
Ms. Shelina P. Parikh (DIN-00468199)	Non-Executive and Independent Woman Director	55 years May 17, 2024	N.A.		N.A.		N.A.	1	0

Notes :

1. Figures in ( ) indicate the number of Board Committees of which a Director is a Chairman.
2. Board Committee means Audit Committee and Stakeholders' / Investors' Relationship Committee.
3. Mr. Pankaj R. Patel ceased to be the Director as well as ID of Torrent Power Limited w.e.f. close of business hours of March 31, 2024. Hence, he ceased to be the Chairman / Member of committees of Torrent Power Limited. Hence, details pertaining to Torrent Power Limited are not included in the above table.
4. Mr. Mukesh M. Patel ceased to be the Director as well as ID of The Sandesh Limited and Johnson Controls-Hitachi Air Conditioning India Limited w.e.f. close of business hours of March 31, 2024. Hence, he ceased to be the Chairman / Member of committees of The Sandesh Limited and Johnson Controls-Hitachi Air Conditioning India Limited. Hence, details pertaining to The Sandesh Limited and Johnson Controls-Hitachi Air Conditioning India Limited are not included in the above table.
5. Ms. Shelina P. Parikh was appointed as an Additional Director as well as ID w.e.f. May 17, 2024, subject to approval of members at the ensuing AGM.
6. Ms. Shelina P. Parikh was inducted as a member of the Audit Committee w.e.f. May 17, 2024.

The following table gives the names of the listed companies where the Directors of the Company are Directors and the category of their respective directorships:

Sr. No.	Name of the Director of the Company	Name of the listed companies in which the Director of the Company is a Director	Category of Directorship in the listed companies
1.	Mr. Pankaj R. Patel	Bayer CropScience Limited	Independent Director
2.	Dr. Sharvil P. Patel	Zydus Wellness Limited	Non-Executive and Non-Independent Director
3.	Mr. Ganesh N. Nayak	Zydus Wellness Limited	Non-Executive and Non-Independent Director
4.	Mr. Nitin R. Desai	None	N.A.
5.	Mr. Bhadresh K. Shah	AIA Engineering Limited	Managing Director
		Welcast Steels Limited	Non-Executive and Non-Independent Director
6.	Ms. Dharmishtaben N. Raval	Zydus Wellness Limited	Independent Director
		NOCIL Limited	
7.	Mr. Apurva S. Diwanji	Torrent Power Limited	Independent Director
8.	Mr. Akhil A. Monappa	Zydus Wellness Limited	Independent Director
9.	Ms. Upasana K. Konidela	None	N.A.
10.	Mr. Mukesh M. Patel	Force Motors Limited	Independent Director
11.	Ms. Shelina P. Parikh	None	N.A.

Note: Ms. Shelina P. Parikh was appointed as an Additional Director as well as ID w.e.f. May 17, 2024, subject to approval of members at the ensuing AGM.

C. Familiarization Programme:

At the time of appointment of an ID, a formal letter of appointment is given to him / her, which *inter-alia* explains the roles, functions, duties and responsibilities expected from him / her as a Director of the Company. All our Directors are aware and also updated, whenever required, of their roles, responsibilities, liabilities and obligations under the provisions of Schedule IV of the Act and Rules made thereunder and regulation 25 of the Listing Regulations.

A presentation on the familiarization programme made to the IDs of the Company is posted on the website of the Company. The weblink of the same is provided separately under this report on page No. 144.

Quarterly updates, strategic updates including press releases submitted to the stock exchanges are shared with the Directors to keep them updated of the material developments relating to the Company.

D. Evaluation:

During the year under review, the Nomination and Remuneration Committee ("**NRC**") / the Board have carried out evaluation of the performance of following:

1. Board as a whole,
2. Committees of the Board,
3. Directors,
4. IDs and
5. Chairman.

Evaluation sheets for evaluation of above were circulated to all the Directors and the filled in evaluation sheets of all the Directors were submitted to the Chairman of the Board.

The Board has evaluated the composition of the Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters, etc. with an aim to improve their effectiveness.

Performance evaluation of individual Directors and the Board Chairman was also carried out in terms of their respective attendance at Board / Committee meetings, contributions at the meetings, circulation of sufficient documents and information to the Directors, timely availability of the agenda, etc. Directors were satisfied with the evaluation on different criteria.

Performance evaluation of IDs was also carried out which included, preparedness and information about the Board / Committee meetings, attendance at different meetings, preparedness to devote sufficient time for meetings, relationship with the Chairman, other board members, KMP and senior management, updating knowledge with latest developments in regulatory and market conditions, expressing views on specialized agenda items and the statutory requirement being the fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who were subject to evaluation did not participate in the proceedings of the meeting.

3. Committees of the Board:

The Board Committees have been constituted to deal with specific areas / activities as mandated by applicable rules and regulations or as delegated by the Board.

The Chairperson of the respective Committees briefs the Board about the summary of the discussions held at the Committee meetings and the recommendations of the Committee members. The terms of reference of the Committees are in line with the applicable provisions of the Listing Regulations, the Act and the Rules made thereunder.

The Board currently has the following committees:

A. Audit Committee,

B. Nomination and Remuneration Committee,

C. Corporate Social Responsibility and Environment Social and Governance Committee,

D. Risk Management Committee,

E. Stakeholders' / Investors' Relationship Committee,

F. Share Transfer Committee,

G. Buyback Committee (constituted on February 9, 2024 and dissolved on March 19, 2024), and

H. Finance and Administration Committee.

The terms of reference of the Board committees are determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of the Board committees are convened by the Chairman of the respective committee pursuant to and in compliance with the statutory provisions of the Act and the Listing Regulations.

The committees operate under the direct supervision of the Board. Normally, the committee meetings are held prior to the Board meeting and the Chairman of the respective committee reports to the Board about the deliberations and decisions taken by the committees.

A. Audit Committee:

I. Terms of Reference:

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible,

2. Recommendation for appointment (including re-appointment), removal, remuneration and terms of appointment of statutory, internal (chief internal auditor) and cost auditors,

3. Review with the management the quarterly / half-yearly / yearly, unaudited / audited financial results / statements, statements and limited review reports / audit reports of the Statutory Auditors before recommending for approval by the Board with particular reference to matters required to be included in the directors' responsibility statement to be included in board's report in terms of section 134(3)(c) of the Act,

4. Review changes in the accounting policies, major accounting entries / estimates based on exercise of judgment by the management, significant adjustments made in the financial statements, compliance with listing and other legal requirements relating to financial statements, disclosure of related party transactions, modified opinion, if any, in the draft audit report,

5. Review of the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.). The statement of funds utilized for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency about the utilization of proceeds of a public issue or rights issue or preferential issue of qualified institutional placement and making appropriate recommendation to the Board to take up steps in this matter,

6. Review of Management Discussion and Analysis of financial and operational performance,

7. Review of inter-corporate loans and investments,

8. Review with the management the performance of statutory and internal auditors,

9. Review the adequacy and effectiveness of internal financial controls and systems,

10. Review and discuss with the management major financial risk exposures and steps taken to monitor and control them,

11. Oversee and review the functioning of vigil mechanism (implemented by the Company as a Whistle Blower Policy),

12. Review the scope of the Internal Auditors and Audit Plan to ensure reasonable coverage of different areas of operations,

13. Review, discuss and monitor the observations reported by Statutory / Internal Auditors and their compliance,

14. Review the findings of any internal investigation by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board,
15. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern,
16. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividend) and creditors,
17. Review and recommend to the Board the appointment / re-appointment of the Statutory and Cost Auditors after due consideration of their independence and effectiveness,
18. Approve the payment towards additional services rendered by the Statutory Auditors except those enumerated in section 144 of the Act,
19. Review Cost Audit Report submitted by the Cost Auditors,
20. Approve the Related Party Transactions and / or subsequent modification, if any, and grant omnibus approvals for certain related party transactions, which are in the ordinary course of business and on an arm's length basis,
21. Approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate,
22. Review utilization of loans and / or advances from / investment by the Company in subsidiary company in excess of ₹ 1,000 mio. (Rupees One Thousand Million only) or 10% (ten percent) of asset size of the subsidiary, whichever is lower,
23. Supervise implementation of Insider Trading Code and policies relating thereto,
24. Valuation of undertakings or assets of the Company, wherever necessary,
25. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc. on the Company and its members and
26. Review the financial statements, in particular, the investments made by the unlisted subsidiary.

The Audit Committee ensures that it has reviewed each area that it is required to review under the terms of reference. Every quarter, the Audit Committee is presented with a summary of audit observations and follow-up actions thereon.

The Audit Committee periodically reviewed and noted all related party transactions. The majority of the related party transactions were between the Company and its subsidiaries / associates. All the related party transactions were in the ordinary course of business, on an arm's length basis and as per the policy on related party transactions. The Audit Committee ratified all the related party transactions entered into by the Company during the Financial Year ended on March 31, 2024. The Audit Committee also granted omnibus approval for the related party transactions proposed to be entered into by the Company during the Financial Year ending on March 31, 2025, which are repetitive in nature and also for unforeseen transactions, as per the policy on related party transactions, applicable provisions of the Act and the Listing Regulations. The Company did not enter into any material related party transactions that required approval of the members. The Company has also not entered into transaction with related parties that may have potential conflict with the interests of the Company.

The Audit Committee reviewed on quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval.

The Audit Committee also took note of the material subsidiaries of the Company.

II. Composition, meetings held and attendance at the meetings during the year:

The Audit Committee held 4 (four) meetings during the Financial Year ended on March 31, 2024, on May 18, 2023, August 11, 2023, November 7, 2023 and February 9, 2024. The time gap between any 2 (two) meetings was less than 120 (one hundred twenty) days. The composition of the Audit Committee as at March 31, 2024 and details of the attendance of its members are as under:

Name of the Member	Category	No. of meetings held	No. of meetings attended	% of attendance
Mr. Nitin R. Desai, Chairman	Non-Executive and Independent	4	2	50.00%
Mr. Akhil A. Monappa, Chairman	Non-Executive and Independent		N.A.	N.A.
Mr. Bhadresh K. Shah	Non-Executive and Independent		4	100.00%
Ms. Dharmishtaben N. Raval	Non-Executive and Independent		4	100.00%
Mr. Apurva S. Diwanji	Non-Executive and Independent		3	66.67%
Ms. Shelina P. Parikh	Non-Executive and Independent		N.A.	N.A.

Notes:

1. The Board at its meeting held on May 17, 2024 passed a resolution to re-constitute the Audit Committee, by virtue of which:
   - i. Mr. Nitin R. Desai ceased to be Chairman and member w.e.f. May 17, 2024.
   - ii. Mr. Akhil A. Monappa was inducted as a member and appointed as Chairman w.e.f. May 17, 2024.
   - iii. Ms. Dharmishtaben N. Raval ceased to be member w.e.f. May 17, 2024.
2. Mr. Akhil A. Monappa and Ms. Shelina P. Parikh were not eligible to attend any meetings.

All the members of the Audit Committee have the requisite qualifications for appointment on the Audit Committee and possess a sound knowledge of accounting practices as well as financial and internal controls.

The Chairman of the Audit Committee attended the AGM of the Company held on August 11, 2023 to respond to members' queries.

III. Invitees at the Audit Committee meetings:

The representative(s) of the Statutory Auditors and Internal Auditors are regularly invited and they have attended all the Audit Committee meetings held during the Financial Year ended on March 31, 2024. The representative of the Cost Auditors attends the Audit Committee meeting, where the Cost Audit Report is tabled for discussion. The Managing Director, the Chief Financial Officer and the Management Auditor are invited to attend and participate in these meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The Company continues to derive benefits from the deliberations of the Audit Committee meetings as the members are experienced in the areas of finance, accounts, taxation, corporate laws and industry. It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

B. Nomination and Remuneration Committee ("NRC"):

Pursuant to and in compliance with the provisions of section 178(1) of the Act and regulation 19 of the Listing Regulations, the Board has constituted the NRC. The terms of reference of the NRC are specified in Para A of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

I. Terms of reference:

The functions of the NRC, *inter-alia*, include the following:

1. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the Directors, KMP and other employees,
2. To identify the persons, who are qualified to become Directors of the Company or who may be appointed in Senior Management,
3. For appointment of an ID, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of role and capabilities of an ID,
4. To recommend to the Board, appointment and removal of the Directors and evaluation of each Director's performance,

5. To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to, remuneration of the Directors, KMP and other employees (For every appointment of an ID, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an ID). The person recommended to the Board for appointment as an ID shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the NRC may:

    a. use the services of an external agencies, if required;

    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

    c. consider the time commitments of the candidates.

6. To review on annual basis the compensation to the Non-Executive Directors and Senior Management, which includes KMP (in whatever form) and recommend to the Board the remuneration and incentive payable to each of them,
7. To decide whether to extend or continue the term of appointment, on the basis of the report of performance evaluation of IDs, for re-appointment of an ID,
8. To devise policy on diversity of the Board,
9. To ensure that level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks and
10. To develop and review the succession plan for the Board.

II. Composition, meetings held and attendance at the meetings during the year:

The composition of the NRC as at March 31, 2024 and details of attendance of the NRC members at the meetings are given in the following table. The NRC met once during the Financial Year ended on March 31, 2024 on May 18, 2023. All members of the NRC are IDs.

Name of the Member	Category	No. of meetings held	No. of meetings attended	% of attendance
Mr. Nitin R. Desai, Chairman	Non-Executive and Independent	1	0	0
Mr. Bhadresh K. Shah, Chairman	Non-Executive and Independent		1	100.00%
Ms. Dharmishtaben N. Raval	Non-Executive and Independent		1	100.00%
Mr. Apurva S. Diwanji	Non-Executive and Independent		1	100.00%
Mr. Akhil A. Monappa	Non-Executive and Independent		N.A.	N.A.
Ms. Upasana K. Konidela	Non-Executive and Independent		N.A.	N.A.

Notes:

1. The Board at its meeting held on May 17, 2024 passed a resolution to re-constitute the NRC, by virtue of which:
    i. Mr. Nitin R. Desai ceased to be Chairman and member w.e.f. May 17, 2024.
    ii. Mr. Bhadresh K. Shah was appointed as Chairman w.e.f. May 17, 2024.
    iii. Ms. Dharmishtaben N. Raval ceased to be member w.e.f. May 17, 2024.
    iv. Mr. Akhil A. Monappa was inducted as a member w.e.f. May 17, 2024.
2. Mr. Akhil A. Monappa and Ms. Upasana K. Konidela were not eligible to attend the meeting.

The Company Secretary acts as the Secretary to the NRC. The Chairman of the NRC attended the AGM of the Company held on August 11, 2023.

III. Nomination and Remuneration Policy and details of remuneration paid / payable to the Directors for the Financial Year ended on March 31, 2024:

The Board approved the Nomination and Remuneration Policy on the recommendation of the NRC. The salient aspects of the said Policy are outlined below:

a. Objectives:

1. To guide the Board in relation to appointment and removal of Directors and Senior Management which includes KMP,

2. To evaluate the performance of the members of the Board, its committees and individual directors and provide necessary report to the Board for further evaluation of the Board and
3. To recommend to the Board remuneration payable to the Directors and Senior Management which includes KMP.

The Company follows the policy for payment of remuneration to the Directors and Senior Management which includes KMP.

b. Remuneration to Non-Executive Directors:

1. A Non-Executive Director is paid sitting fees for each meeting of the Board or Committee of the Board attended by him / her, of such sum as may be approved by the Board within the overall limits prescribed under the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board has approved the payment of sitting fees at ₹ 0.10 mio. (Rupees One Hundred Thousand only) to each Non-Executive Director towards each of the Board / Committee meetings attended by them. Normally, the sitting fees are paid immediately after the Board or Committee meetings, to those who have attended the meetings.
2. A Non-Executive Director is also paid commission on an annual basis, of such sum as may be recommended by the NRC and approved by the Board. The total commission payable to the Non-Executive Directors shall not exceed 1% (one percent) of the net profit of the Company and subject to a maximum of ₹ 40.00 mio. (Rupees Forty Million only) being the limit approved by the members. In case of loss or if profits are inadequate, the Non-Executive Directors are entitled to receive remuneration, subject to the provisions of the Act.
3. In determining the quantum of commission payable to Non-Executive Directors, the NRC considers the overall performance of the Company, commission paid by comparable other companies and the onerous responsibilities required to be shouldered by the Non-Executive Directors.
4. A Non-Executive Director is also reimbursed for the expenses incurred by him / her for attending the Board and / or Committee meetings and members' meetings.
5. Apart from the above, there are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the Financial Year ended on March 31, 2024
6. The Company has taken a Directors' and Officers' Liability Insurance Policy.

c. Remuneration to the Managing Director and the Executive Director:

Dr. Sharvil P. Patel is the Managing Director and Mr. Ganesh N. Nayak is the Executive Director of the Company. On the recommendation of the NRC, the Board decides and approves the remuneration payable to the Managing Director and the Executive Director within the ceiling fixed by members.

As per the recommendation of the NRC, remuneration, as per below table, is paid / payable to Dr. Sharvil P. Patel, Managing Director and Mr. Ganesh N. Nayak, Executive Director, for the Financial Year ended on March 31, 2024.

(₹ in mio.)

Sr. No.	Name of the Director	Fixed	Variable	Total
1.	Dr. Sharvil P. Patel, Managing Director	180.00	120.00	300.00
2.	Mr. Ganesh N. Nayak, Executive Director	72.00	68.00	140.00
	Total	**252.00**	**188.00**	**440.00**

Notes:

1. Fixed pay is paid during the Financial Year ended on March 31, 2024 and the variable pay is recommended by the NRC and the Board for payment.
2. Fixed portion includes salary and other allowances and variable portion includes commission.
3. In addition to fixed pay and variable pay, Dr. Sharvil P. Patel is entitled to Company's PF contribution, perquisites and retirement benefits and Mr. Ganesh N. Nayak is entitled to Company's PF contribution, perquisites and leave benefits.

The remuneration of the Managing Director for the Financial Year ended on March 31, 2024 has increased by 14.29% compared to the remuneration paid for the Financial Year ended on March 31, 2023.

The Company has entered into an agreement with Dr. Sharvil P. Patel for employment for a period of 5 (five) years. Either party to the agreement is entitled to terminate the agreement by giving not less than 3 (three) months' notice in writing to the other party.

The remuneration of the Executive Director for the Financial Year ended on March 31, 2024 has increased by 16.67%, compared to the remuneration paid for the Financial Year ended on March 31, 2023. The NRC and the Board have decided that the total remuneration of Dr. Sharvil P. Patel, Managing Director (promoter director) shall not exceed 2.5% of the net profits of the Company calculated as per the provisions of section 198 of the Act.

The Company has entered into an agreement with Mr. Ganesh N. Nayak for employment for a period of 3 (three) years. Either party to the agreement is entitled to terminate the agreement by giving not less than 6 (six) months' notice in writing to the other party. Based on the recommendation of the NRC, the Board at its meeting held on May 17, 2024, passed a resolution to re-appoint Mr. Ganesh N. Nayak as the Whole Time Director, to be designated as the Executive Director, for one more year i.e. upto July 12, 2025, subject to approval of the members at the ensuing AGM by way of special resolution. If re-appointment is approved by the members, the renewed agreement will have a termination clause of 3 (three) months in place of the existing 6 (six) months.

For the Financial Year ending on March 31, 2025, the aggregate remuneration (salary and commission) of Mr. Ganesh N. Nayak shall not exceed ₹ 200.00 mio. (Rupees Two Hundred Million only), which is within the statutory limits prescribed under the Act.

For the period from April 1, 2025 till July 12, 2025, the remuneration payable to Mr. Ganesh N. Nayak shall be as recommended by the NRC and approved by the Board, which shall be within the statutory limits prescribed under the Act, based on his individual performance and performance of the Company.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria fixed by the Board / NRC.

d. Remuneration to Senior Management:

The Managing Director and the Executive Director, with the help of the President-Group Human Resources, carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors like-Key Performance Area v/s Initiatives, balance between fixed and variable pay, fixed components and perquisites and retirement benefits, criticality of roles and responsibilities, industry benchmarks and current compensation trends in the market. Further, any promotion at a senior level management is approved by the Management based on a predetermined process and after assessing the candidate's capability to shoulder higher responsibility.

IV. Details of the commission / sitting fees paid to the Non-Executive Directors for the Financial Year ended on March 31, 2024 are given below:

(₹ in mio.)

Name of the Non-Executive Directors	Commission *	Sitting fees paid							Total
		Board Meetings	Audit Committee Meetings	CSR and ESG Committee Meetings	NRC Meetings	SRC Meetings	RMC Meetings	Separate meeting of IDs	
Mr. Pankaj R. Patel	--	0.50	N.A.	0.30	0.10	0.10	0.20	N.A.	1.20
Mr. Nitin R. Desai	3.00	0.30	0.20	N.A.	0	N.A.	N.A.	0.10	3.60
Mr. Bhadresh K. Shah	3.00	0.40	0.40	N.A.	0.10	0.10	N.A.	0.10	4.10
Ms. Dharmishtaben N. Raval	3.00	0.50	0.40	0.30	0.10	N.A.	N.A.	0.10	4.40
Mr. Apurva S. Diwanji	3.00	0.40	0.30	N.A.	0.10	N.A.	0.10	0.10	4.00
Mr. Akhil A. Monappa	3.00	0.40	N.A.	N.A.	N.A.	N.A.	0	0.10	3.50
Ms. Upasana K. Konidela	3.00	0.40	N.A.	0.10	N.A.	N.A.	N.A.	0	3.50
Mr. Mukesh M. Patel	3.00	0.50	0.10	N.A.	0.10	0.10	0.20	N.A.	4.00
Ms. Shelina P. Parikh	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	**21.00**	**3.40**	**1.40**	**0.70**	**0.50**	**0.30**	**0.50**	**0.50**	**28.30**

Notes:

1. Ms. Shelina P. Parikh was appointed as an Additional Director as well as ID w.e.f. May 17, 2024, subject to approval of members at the ensuing AGM.
2. Mr. Pankaj R. Patel has voluntarily decided not to receive commission.

The Nomination and Remuneration Policy is available on the website of the Company and the weblink of the same is provided separately in this report on page No. 145.

V. Stock Option:

The Company does not have any stock option scheme for its Directors or employees. Moreover, there is no separate provision for payment of severance fees to the Directors.

C. Corporate Social Responsibility ("CSR") and Environment Social and Governance ("CSR and ESG") Committee:

The terms of reference for CSR includes, to frame the CSR Policy and review it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and Rules made thereunder and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The CSR Policy, as recommended by the CSR and ESG Committee, is approved by the Board. The details with regard to CSR, its composition, Policy, Projects, etc. are provided in the Board's Report.

The terms of reference for ESG includes providing strategic guidance and oversight to the Company's initiatives & practices towards ESG and respond to challenges posed by climate change through sustainable business practices. It will help to create long-term value for all stakeholders.

The composition of the CSR and ESG Committee as at March 31, 2024 and the details of members' participation at the meetings of the CSR and ESG Committee which were held on May 18, 2023, August 11, 2023 and February 9, 2024 are as under:

Name of the Member	Category	No. of meetings held	No. of meetings attended	% of attendance
Mr. Pankaj R. Patel, Chairman	Non-Executive and Non-Independent		3	
Dr. Sharvil P. Patel	Managing Director		3	100%
Ms. Dharmishtaben N. Raval	Non-Executive and Independent	3	3	
Ms. Upasana K. Konidela	Non-Executive and Independent		1	50%
Ms. Shelina P. Parikh	Non-Executive and Independent		N.A.	N.A.

Note:

1. The Board at its meeting held on May 17, 2024 passed a resolution to re-constitute the CSR and ESG Committee, by virtue of which:
   i. Ms. Dharmishtaben N. Raval ceased to be member w.e.f. May 17, 2024.
   ii. Ms. Shelina P. Parikh was inducted as a member w.e.f. May 17, 2024.
   iii. Ms. Upasana K. Konidela was inducted as a member w.e.f. May 18, 2023.
2. Ms. Upasana K. Konidela was eligible to attend 2 (two) meetings held after May 18, 2023.
3. Ms. Shelina P. Parikh was not entitled to attend any meetings.

D. Risk Management Committee ("RMC"):

Pursuant to and in compliance with the provisions of regulation 21 of the Listing Regulations, the Company has constituted the RMC and the majority of the members of the Committee are Directors. The Company has a well-defined risk management framework to identify, recognize, monitor and mitigate risks and identify business opportunities. Business risk evaluation and its management is a continuous process within the organization. The Company has framed a Risk Management Policy, which is uploaded on the website and the weblink of the same is provided separately in this report on page No. 145.

Role of the RMC, as enumerated in Para C of Part D of Schedule II of the Listing Regulations, shall be as under:

1. To formulate a detailed Risk Management Policy which shall include:
   i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the RMC.
   ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
   iii. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
4. To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken and
6. To recommend appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

The RMC reviewed the risks and extent of exposure and potential impact analysis was carried out by the management. It was confirmed by the Managing Director and the Chief Financial Officer that the mitigation actions are monitored.

The composition of the RMC as at March 31, 2024 and details of attendance of the RMC members at the meetings are given in the following table. The RMC met twice during the Financial Year ended on March 31, 2024 on May 18, 2023 and November 7, 2023.

Name of the Member	Category	No. of meetings held	No. of meetings attended	% of attendance
Mr. Pankaj R. Patel, Chairman	Non-Executive and Non-Independent	2	2	100%
Dr. Sharvil P. Patel	Managing Director		2	100%
Mr. Apurva S. Diwanji	Non-Executive and Independent		1	50%
Mr. Akhil A. Monappa	Non-Executive and Independent		0	0
Mr. Mukesh M. Patel	Non-Executive and Non-Independent		2	100%
Mr. Nitin D. Parekh	Chief Financial Officer		2	100%

Note: The Board at its meeting held on May 18, 2023 passed a resolution to re-constitute the RMC, by virtue of which, Mr. Akhil A. Monappa was inducted as the member of the RMC. He was eligible to attend the meeting held after May 18, 2023.

The Company Secretary acts as the secretary of the RMC.

E. Stakeholders' / Investors' Relationship Committee ("SRC"):

Pursuant to and in compliance with the provisions of section 178(5) of the Act and regulation 20 of the Listing Regulations, the Board has formed the SRC.

I. Terms of reference:

The SRC reviews the redressal of grievances of stakeholders pertaining to the requests / complaints of the members related to transfer of shares, dematerialization of shares, non-receipt of annual report, non-receipt of dividend or revalidation of expired dividend cheques, recording the change of address, nomination, etc.

Role of the SRC, as enumerated in Para B of Part D of Schedule II of the Listing Regulations, shall be as under:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.,
2. Review of measures taken for effective exercise of voting rights by members,
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the RTA and
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend cheques / annual reports / statutory notices by the members of the Company.

The Chairman of the SRC attended the AGM of the Company held on August 11, 2023.

II. Composition, meetings held and attendance of members at the meetings:

The SRC held 1 (one) meeting during the Financial Year ended on March 31, 2024 on May 18, 2023. The composition of the SRC as at March 31, 2024 and details of the attendance of its members are as under:

Name of the Member	Category	No. of meetings held	No. of meetings attended	% of attendance
Mr. Mukesh M. Patel, Chairman	Non-Executive and Non-Independent	1	1	100%
Mr. Pankaj R. Patel	Non-Executive and Non-Independent		1	
Dr. Sharvil P. Patel	Managing Director		1	
Mr. Bhadresh K. Shah	Non-Executive and Independent		1	

Mr. Dhaval N. Soni, Company Secretary of the Company (Fellow Member of The Institute of Company Secretaries of India) acts as the Secretary to the SRC, who is designated as a Compliance Officer pursuant to and in compliance with regulation 6 of the Listing Regulations.

The SRC ensures that the members' / investors' grievances and correspondence are attended and resolved expeditiously.

6,210 (six thousand two hundred ten) equity shares remained in the in-transit account with National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**") (NSDL and CDSL are collectively referred to as "the **Depositories**") as at March 31, 2024.

III. Number of complaints:

During the Financial Year ended on March 31, 2024, the Company has resolved investor grievances expeditiously. The Company and / or its RTA have received 20 (twenty) complaints from SEBI / Stock Exchanges and directly from the members, which were resolved within the time frame laid down by SEBI.

F. Share Transfer Committee ("STC"):

I. Terms of reference:

The STC is empowered to perform all the functions of the Board in relation to approval and monitoring of transfer, transmission, transposition, dematerialization, rematerialization, issue of duplicate share certificate, splitting and consolidation of shares issued by the Company. The STC also oversees the functions of Link Intime India Private Limited, the Registrar and Share Transfer Agent ("**RTA**") of the Company. The Board has delegated the powers to approve the transfer of shares to the STC.

II. Composition:

As at March 31, 2024, the STC comprised of the following members:

1. Mr. Pankaj R. Patel (Non-Executive and Non-Independent)-Chairman,
2. Dr. Sharvil P. Patel (Managing Director) and
3. Mr. Mukesh M. Patel (Non-Executive and Non-Independent).

The Company Secretary acts as the Secretary to the STC.

III. Meetings held and the attendance of members at the meetings:

The STC meets on a need basis to ensure the regular process of transfer / transmission of shares, split, consolidation, dematerialization / rematerialization and issuance of duplicate share certificates.

G. Buyback Committee:

The Board at its meeting held on February 9, 2024 constituted a Buyback Committee comprising of Mr. Pankaj R. Patel, Chairman, Dr. Sharvil P. Patel, Mr. Ganesh N. Nayak and Mr. Mukesh M. Patel as the committee members. The Buyback Committee is authorized to carry out all such acts, deeds and things as may be deemed necessary and expedient for the buyback exercise. The Buyback Committee was dissolved after the buyback exercise was over.

H. Finance and Administration Committee ("FAC"):

The Board at its meeting held on August 5, 2020 constituted the FAC with Mr. Pankaj R. Patel as the Chairman and Dr. Sharvil P. Patel and Mr. Ganesh N. Nayak as the members. The FAC looks after the businesses, which are broadly relating to financing i.e. borrowing of funds, making investments / providing loan / corporate guarantee to subsidiary companies and other businesses which are of routine / administrative nature and within the overall Board approved directions and framework. The Company Secretary acts as the Secretary to the FAC. The FAC met 12 (twelve) times during the Financial Year ended on March 31, 2024 and all the members were present in the meetings.

Minutes of the FAC are placed before the Board for information.

4. Independent Directors' meeting:

Pursuant to and in compliance of regulation 25(3) of the Listing Regulations, a separate meeting of IDs, without the attendance of the non-Independent Directors was held on February 9, 2024, under the chairmanship of Mr. Nitin R. Desai, *inter-alia*, to discuss:

1. Evaluation of performance of non-Independent Directors and the Board as a whole,
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors and
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary to effectively and reasonably perform its duties.

All the IDs were present at the meeting, except Ms. Upasana K. Konidela. The performance of the non-independent directors, the Board as a whole and Chairman of the Company was evaluated by the IDs, taking into account the views of executive directors and non-executive directors.

5. Subsidiary Companies:

The details of the material subsidiary companies of the Company are provided in the below table:

Sr. No.	Name of the material subsidiary company	Incorporation details		Statutory Auditor's details		Other details
		Date	**Place**	**Name**	**Date of appointment**	
1.	Zydus Healthcare Limited ("**ZHL**")	August 1, 1989	State of Maharashtra	Deloitte Haskins & Sells LLP	August 10, 2017	unlisted companies incorporated in India
2.	Zydus Animal Health and Investments Limited ("**ZAHL**")	May 10, 2018	State of Gujarat	Mukesh M. Shah & Co.	August 8, 2019	
3.	Zydus Wellness Limited ("**ZWL**")	November 1, 1994			August 27, 2020	listed company incorporated in India
4.	Zydus Wellness Products Limited ("**ZWPL**")	February 28, 2019		Dhirubhai Shah & Co. LLP	July 30, 2019	unlisted company incorporated in India
5.	Zydus Pharmaceuticals USA Inc. ("**ZPUI**")	November 18, 2003	New Jersey, USA	Ram Associates	December 29, 2005	unlisted company incorporated in USA

Notes:

1. ZHL was incorporated in the State of Maharashtra. As on date, the registered offices of ZHL, ZAHL, ZWL and ZWPL are situated at Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad-382481, Gujarat.
2. Deloitte Haskins & Sells LLP, Chartered Accountants ("**Deloitte**") were appointed as the Statutory Auditors of ZHL for their first term of 5 (five) years on August 10, 2017. Deloitte were re-appointed as the Statutory Auditors of ZHL for their second term of 5 (five) years on August 5, 2022.
3. ZWPL is a wholly owned subsidiary of ZWL.

The financial statements of subsidiaries, particularly, the investments made by subsidiaries, if any, during the quarter are reviewed by the Audit Committee of the Board.

The Board minutes of Indian unlisted subsidiary companies along with a report on significant developments of the unlisted Indian subsidiary companies are periodically placed at the Board meeting of the Company, for information of the Board.

6. Disclosures:

A. Related Party Transactions:

All transactions entered into with related parties as defined under section 2(76) of the Act and regulation 2(1)(zb) read with regulation 23 of the Listing Regulations during the Financial Year ended on March 31, 2024 were in the ordinary course of business, on an arm's length basis and as per the policy on related party transactions. There were no materially significant transactions with related parties during the Financial Year ended on March 31, 2024 which were in conflict of interest of the Company. Suitable disclosures, as required by Ind AS 24, have been made in the notes to the Financial Statements.

The transactions by the Company with ZPUI are material related party transactions. However, as the criteria prescribed under regulation 23(5) of the Listing Regulations are met, approval of the members of the Company for entering into material related party transactions with ZPUI is not required.

Pursuant to and in compliance with regulation 24(1) of the Listing Regulations, the Company has appointed Ms. Dharmishtaben N. Raval, ID of the Company on the Boards of ZHL and ZPUI. As the tenure of Ms. Dharmishtaben N. Raval as an ID shall complete after the conclusion of ensuing AGM scheduled to be held on August 9, 2024, the Board at its meeting held on May 17, 2024 passed a resolution to appoint Mr. Bhadresh K. Shah, ID of the Company in place of Ms. Dharmishtaben N. Raval on the Boards of ZHL and ZPUI. The Company is not required to appoint an ID on the Boards of ZWL, ZWPL and ZAHL.

Pursuant to and in compliance with regulation 23(1) of the Listing Regulations, the Board has approved policy on related party transactions, which includes the clear threshold limits, beyond which a transaction will be considered as a material related party transaction and the said policy has been uploaded on the website of the Company and the weblink of the same is provided separately in this report on page No. 145.

During the Financial Year ended on March 31, 2024, there was no transaction between the Company and any of the promoter or promoter group of the Company, which holds 10% (ten percent) or more of the shareholding of the Company.

Pursuant to and in compliance with regulation 23(9) of the Listing Regulations, the related party transactions are disclosed to the stock exchanges in the prescribed format and are uploaded on the website of the Company.

B. Code of Conduct:

The Company has laid down a Code of Conduct for all the Board members and Senior Management. The Code of Conduct is available on the website of the Company and the weblink of the same is provided separately in this report on page No. 145.

Pursuant to and in compliance with regulation 26(3) of the Listing Regulations, all the Board members and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended on March 31, 2024. The declaration of the Managing Director is given below:

To the members of **Zydus Lifesciences Limited**

Sub.: Compliance with Code of Conduct

I hereby declare that all the Board members and Senior Management have affirmed compliance with the Code of Conduct as adopted by the Board.

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Place : Muscat, Oman
Date : May 17, 2024

C. Prohibition of Insider Trading:

In compliance with The SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**Insider Trading Regulations**") as amended, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the promoters, directors, designated persons and their immediate relatives, connected persons and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing in the shares of the Company.

The Company uses software to monitor the trading in the equity shares of the Company mainly during the trading window closure and the reversal of the transactions, by the designated persons. The Company also maintains the structured digital database as mandated by the Insider Trading Regulations.

Equity Shares held by the Directors as at March 31, 2024:

Name of the Directors	No. of Equity Shares held	Details of Equity Shares bought (+) / sold (-) during the Financial Year ended on March 31, 2024
Mr. Pankaj R. Patel	754,401,994 *	(3,852,818) ^ (623,000) #
Dr. Sharvil P. Patel	14,775	(76) ^
Mr. Ganesh N. Nayak	246,278	(3,933) ^
Mr. Nitin R. Desai	466,155	(2,386) ^
Mr. Bhadresh K. Shah	Nil	Nil
Ms. Dharmishtaben N. Raval	Nil	Nil
Mr. Apurva S. Diwanji	Nil	Nil
Mr. Akhil A. Monappa	Nil	Nil
Ms. Upasana K. Konidela	Nil	Nil
Mr. Mukesh M. Patel	11,687	(187) ^
Ms. Shelina P. Parikh $	4,400	N.A.

* Including (a) 754,313,343 shares held as a Trustee of Zydus Family Trust; (b) 29,550 shares held as a Karta of Pankaj R. Patel HUF; (c) 14,700 shares held as a Trustee of R B Patel Will Pankaj Trust; (d) 14,775 shares held as a Karta of Pankaj R. Patel Smaller HUF; (e) 14,775 shares held as a Trustee of Taraben Patel Family Will Trust; and (f) 14,851 shares held in individual capacity.

^ The figures mentioned in ( ) are the shares bought back during the Financial Year ended on March 31, 2024.

\# Equity Shares were sold by Zydus Family Trust in order to comply with the provisions of regulation 38 of the Listing Regulations and rule 19(2)(b) and 19(A) of The Securities Contract (Regulations) Rules, 1957 read with para 3(7)(ii) of the SEBI Circular No. SEBI/HO/CFD/PoD2/P/CIR/2023/18 dated February 3, 2023, to maintain minimum public shareholding.

$ Ms. Shelina P. Parikh was appointed as an Additional Director as well as ID w.e.f. May 17, 2024, subject to approval of members at the ensuing AGM.

D. Whistle Blower Policy:

Pursuant to and in compliance with the provisions of section 177(9) of the Act and regulation 22 of the Listing Regulations, the Company has formulated a Whistle Blower Policy to deal with any instance of fraud, mismanagement and to report instances of leakage of unpublished price sensitive information. All the stakeholders are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under Whistle Blower Policy. No personnel has been denied access to the Audit Committee pertaining to Whistle Blower Policy. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and that no discrimination is done against any person for a genuinely raised concern. The Board at its meeting held on May 17, 2024 amended the Whistle Blower Policy to widen the coverage of the policy to cover all the stakeholders, which is available on the website of the Company and the weblink of the same is provided separately in this report on page No. 145.

E. Management:

i. Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms a part of this Report.

ii. Disclosure of material financial and commercial transactions:

Pursuant to the provisions of regulation 26(5) of the Listing Regulations, the Senior Management have confirmed that they have not entered into material financial and commercial transactions that may have a potential conflict with the interest of the Company at large during the Financial Year ended on March 31, 2024.

iii. Disclosure of compensation or profit sharing in connection with dealing in the securities of the Company:

Pursuant to the provisions of regulation 26(6) of the Listing Regulations, the Directors, Promoters, Key Managerial Personnel and Senior Management have confirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

iv. Disclosure of certain types of agreements binding the Company:

The Company has not been informed of any agreement under regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations. Accordingly, there was no requirement for disclosing the same.

F. Disclosure regarding appointment / re-appointment of Directors:

The particulars about the brief resume and other information of the Directors seeking appointment / re-appointment as required to be disclosed under this section as per standard 1.2.5 of Secretarial Standard on General Meeting and regulation 36(3) of the Listing Regulations are provided as an annexure to the notice convening the Twenty Ninth AGM.

G. Compliance by the Company:

The Company has complied with all the mandatory requirements of the Listing Regulations, regulations and guidelines of SEBI. Further, during the last 3 (three) years, no penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets. The equity shares of the Company were not suspended from trading at any time during the Financial Year ended on March 31, 2024.

The Company has in place a comprehensive and robust legal compliance management digital tool, which is devised to ensure compliance with all applicable laws which are applicable to the Company. Automated alerts are sent to compliance owners to ensure compliance within stipulated timelines.

A certificate of compliance with all applicable laws and regulations is placed before the Board on a quarterly basis.

H. CEO / CFO Certification:

The requisite certification from the Managing Director and the Chief Financial Officer required to be given under regulation 17(8) read with Part B of Schedule II of the Listing Regulations was placed before the Board and forms a part of this report, which is attached as **Annexure-"A"**.

I. Transfer of unclaimed / unpaid dividend amount and shares to Investor Education and Protection Fund ("IEPF"):

Pursuant to the provisions of sections 124 and 125 of the Act read with the Rules made thereunder, dividend, if not claimed for period of 7 (seven) consecutive years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for 7 (seven) consecutive years or more from the date of transfer to the Unpaid Dividend Account shall also be transferred to IEPF. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of members, the Company had sent reminders to the members to claim their dividend / shares before transfer of dividend / shares to IEPF. Notice in this regard was also published in the newspapers and the details of unclaimed dividends and members whose shares are liable to be transferred to IEPF, are uploaded on the website of the Company.

In light of the aforesaid provisions, 207,631 (two hundred seven thousand six hundred thirty one) equity shares held by 180 (one hundred eighty) members were transferred to IEPF for which the Company has complied with the necessary requirements.

Moreover, ₹ 7.99 mio. (Rupees Seven Million Nine Hundred Ninety Thousand only) held by 3,312 (three thousand three hundred and twelve) members, being the unclaimed dividend, pertaining to the dividend for the Financial Year ended on March 31, 2017 was transferred to IEPF after giving notice to the members to claim their unpaid / unclaimed dividend.

As at March 31, 2024, 1,500,237 (one million five hundred thousand two hundred thirty seven) equity shares are lying with IEPF.

Status of unclaimed dividend and shares which are transferred to IEPF is as under:

Unclaimed dividend and shares	Status	Can it be claimed	Can be claimed from	Actions to be taken
Upto and including the Financial Year 2016-2017	Transferred to IEPF	Yes	IEPF Authority Member to file online Form No. IEPF-5 and send the said form to the Nodal Officer of the Company at the Registered Office with complete documents. The Nodal Officer will file e-verification with IEPF Authority.	IEPF authority to credit the claimed shares and / or dividend amount based on the e-verification form filed by the Company and the documents submitted by the member.
For the Financial Years 2017-2018 to 2022-2023	Amount is lying in the respective unclaimed dividend account	Yes	The Company and / or RTA	Member to make an application to RTA along with KYC documents.

Details of the date of declaration of dividend and the due date of transfer to IEPF are provided in Note No. 6 of the Notice convening the Twenty Ninth AGM.

J. Credit Rating:

The details of credit ratings obtained during the Financial Year ended on March 31, 2024 are provided in below table:

Sr. No.	Facility / Instrument	Amount (₹ in mio.)	Ratings
1.	Various Bank Facilities	47,240	Long term rating CRISIL AAA/Stable (upgraded from CRISIL AA+/Positive) Short term rating CRISIL A1+ (Reaffirmed)
2.	Commercial Papers (“**CPs**”) *	2,000	CRISIL A1+ (Reaffirmed)
3.	Non-Convertible Debentures (“**NCDs**”) *	500	CRISIL AAA/Stable (upgraded from CRISIL AA+/Positive)
4.		750	CRISIL AAA/Stable (upgraded from CRISIL AA+/Positive)

* No CPs / NCDs were issued during the Financial Year ended on March 31, 2024.

K. Utilization of funds:

The Company has not raised any funds through preferential allotment or qualified institutional placement during the Financial Year ended on March 31, 2024.

L. Certificate regarding non-debarment and non-disqualification of directors:

The Company has obtained a certificate from Manoj Hurkat & Associates, Practicing Company Secretaries that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / MCA or any such Statutory Authority. The said certificate forms a part of this report, which is attached as **Annexure-“B”**.

M. Fees paid to the Statutory Auditors:

During the Financial Year ended on March 31, 2024, Deloitte, the Statutory Auditors of the Company and ZHL, a wholly owned subsidiary company, was paid fees for audit and providing other services as per below details:

₹ in mio.

Sr. No.	Name of the Company	Fees paid		Total
		For Statutory Audit	For providing other services	
1.	Zydus Lifesciences Limited	12.45	5.29	17.74
2.	Zydus Healthcare Limited	4.05	0.04	4.09
Total		**16.50**	**5.33**	**21.83**

N. Recommendation of the Committees:

Recommendations of the Committees are submitted to the Board for approval and the Board has, after due deliberations, accepted all the recommendations.

O. Disclosure regarding Sexual Harassment of Women at Workplace:

The Company has adopted a policy on Sexual Harassment of Women at Workplace for prevention, prohibition and redressal of sexual harassment at workplace pursuant to and in compliance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

Details of complaints received and resolved are provided in below table:

Sr. No.	Particulars	Number
1.	Number of complaints as at April 1, 2023	0
2.	Number of complaints received during the year	1
3.	Number of complaints resolved during the year	1
4.	Number of complaints pending as at March 31, 2024	0

P. Accounting Standards:

In preparing the annual financial statements of the Company, the treatment as prescribed in the Accounting Standards has been followed.

Q. Dividend Distribution Policy:

Pursuant to and in compliance with the provisions of regulation 43A of the Listing Regulations, the Company has formulated Dividend Distribution Policy, which is approved by the Board (lastly modified by the Board on May 17, 2024) and is uploaded on Company's website and the weblink for the same is provided separately in this report on page No. 144.

R. Materiality of an event:

The Board has approved the policy to determine materiality of an event or information and the same is available on the website of the Company and the weblink for the same is provided separately in this report on page No. 144. The details of the KMP authorized to determine materiality of an event or information and who is authorized to inform an event or information to the stock exchanges is also uploaded on the website of the Company and the weblink for the same is provided separately in this report on page No. 145.

The Company makes timely disclosures of necessary information to BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"), where shares of the Company are listed, in compliance with the provisions of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

S. Unclaimed Suspense Account:

The Company has opened Unclaimed Suspense Account and transferred equity of those shareholders, whose shares are unclaimed, to the said account after following the process as prescribed under regulation 39(4) read with Schedule VI of the Listing Regulations. Voting rights of all the shares transferred to Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

Members who have not yet claimed their shares are requested to immediately approach RTA of the Company by forwarding a request letter duly signed by all the joint holders furnishing their complete postal address along with pin code, self-attested copies of PAN card and proof of address, self-attested copy of client master list and Form ISR-2 (confirmation of signature of securities holder by the Banker), to enable the Company to release the said shares to the rightful owner.

The details of unclaimed shares are provided in below table:

Sr. No.	Particulars	No. of Members	No. of Equity Shares
1.	Aggregate number of members and the outstanding shares in the unclaimed suspense account lying at the beginning of the year	197	233,115
2.	Number of members who approached listed entity for transfer of shares from unclaimed suspense account during the year and to whom shares were transferred	7	10,685
3.	Aggregate number of members and the outstanding shares in the unclaimed suspense account lying at the end of the year (1-2)	190	222,430

Further, the Company has opened a Suspense Escrow Account with a DP to enable transfer of shares lying unclaimed for a period of more than 120 (one hundred twenty days) from the date of issuance of letter of confirmation. During the Financial Year ended on March 31, 2024, no shares were required to be transferred to such Suspense Escrow Account. Moreover, till date, no shares were required to be transferred to such Suspense Escrow Account.

As per the SEBI Circular, any corporate benefits on the shares transferred to Suspense Escrow Account i.e. bonus, split, etc. shall be credited to such Suspense Escrow Account. The concerned member shall be entitled to vote, to receive dividends and notice of general meetings and annual reports.

T. Loans and advances:

The Company has not given loans and advances in the nature of loan to companies in which the Directors of the Company are interested during the Financial Year ended on March 31, 2024, except those disclosed in the Audited Financial Statements.

U. Secretarial Audit and Secretarial Compliance Report:

Pursuant to and in compliance with regulation 24A of the Listing Regulations, the Company, ZHL and ZAHL (material unlisted Indian subsidiary companies) have carried out the secretarial audit and their respective reports are attached to the Directors Report. In addition to the above, the Company will submit the secretarial compliance report to the stock exchanges within the prescribed time frame of 60 (sixty) days from the end of the financial year.

V. Senior Management:

The Senior Management of the Company comprises of members of the management who are reporting to the Chairman, the Managing Director and the Executive Director and includes functional heads by whatever name called and the Company Secretary and the Chief Financial Officer of the Company.

As on March 31, 2024, following are the Senior Management of the Company:

Sr. No.	Name of the Senior Management Personnel	Function
1	Mr. Ganesh N. Nayak	Executive Director
2	Mr. Harish Sadana	India Formulations business
3	Mr. Nitin D. Parekh	Chief Financial Officer (Finance and Legal)
4	Mr. Prashant Sharma	Technical Operations (Formulations and API)
5	Mr. Vipul Doshi	Quality and Regulatory Affairs
6	Dr. Amrut Naik	International Markets
7	Mr. Samir Desai	Biologics business
8	Mr. Rishikesh Raval	Human Resources and Corporate Communication
9	Mr. M E Kannan	R&D-Pharmaceutical Technology Centre
10	Dr. Mukul Jain	R&D-Biology
11	Mr. Kapil Maithal	R&D-Vaccines and manufacturing operations
12	Mr. Sanjeev Kumar	R&D-Biologics Research and Manufacturing
13	Mr. Keyur Parekh	Business Strategy (India Business)
14	Dr. Ravindra Mittal	Medical Affairs
15	Mr. Gaurav Suchak	Global Demand and Supply Organization and IT
16	Mr. Alok Garg	Business Strategy (International Markets and Inorganic Strategy)
17	Mr. Pravin Iyer	R&D-Medicinal Chemistry
18	Mr. Manoj Kamra	Corporate Affairs
19	Mr. Mayank Satpal	Digital Initiatives
20	Mr. Dhaval N. Soni	Company Secretary and Compliance Officer

During the Financial Year ended on March 31, 2024, Mr. Rashmin Shah-President-Special Projects, who was a part of Senior Management resigned w.e.f. August 10, 2023 as he is appointed as the Managing Director of Zydus Hospira Oncology Private Limited, a joint venture company, in which the Company is a joint venture partner.

w. Public Policy:

The Company has a Public Policy which considers engaging with public as a crucial dimension to create an enabling environment to improve access to quality medicines and healthcare. The Public Policy is available on the website of the Company and the weblink of the same is provided separately in this report on page No. 145.

7. Means of Communication:

i. The Company has 300,331 (three hundred thousand three hundred thirty one) members as on March 31, 2024. The main channel of communication to the members is through Annual Report, which includes, *inter-alia*, the Board's Report, Management Discussion and Analysis Report, Corporate Governance Report, Business Responsibility and Sustainability Report and Audited Financial Statements.

ii. The Annual General Meeting is a platform for face-to-face communication with the members. The Chairman, the Managing Director and other KMP respond to the specific queries of the members.

iii. The Company intimates to the Stock Exchanges all price sensitive matters which in its opinion are material and of relevance to the members and subsequently issues a Press Release on such matters, wherever necessary.

iv. The quarterly, half yearly and yearly results are published in widely circulating national and local daily 'Financial Express' in English and Gujarati. The results are also posted on the website of the Company www.zyduslife.com and the same are not sent individually to the members.

v. The Company's results and official news releases are displayed on the website of the Company www.zyduslife.com. The Company keeps a call after the Board meeting with institutional investors. The Company also makes investor presentations. The investor presentations, the telecon speeches and the transcripts are uploaded on the website of the Company. Information to the Stock Exchanges is being filed online on NEAPS of NSE and online listing portal of BSE.

The quarterly calls are attended by the Managing Director, the Executive Director, the Chief Financial Officer, head of Investor Relations, representatives from the corporate finance team and MD office.

All periodical compliance filings are filed electronically in accordance with the Listing Regulations. Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are searchable.

vi. In compliance with the provisions of regulation 46 of the Listing Regulations, a separate section of 'Investor Zone' i.e. 'Disclosure under regulation 46 of the Listing Regulations' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Reports, financial results along with the applicable policies of the Company, etc.

8. General Body Meetings:

i. Details of last 3 (three) Annual General Meetings held are provided hereunder:

Year	Date and Time	Venue
2022-2023	Twenty Eighth AGM on August 11, 2023 at 10.00 a.m. (IST)	Through Video Conferencing / Other Audio Visual Means ("**VC / OAVM**")
2021-2022	Twenty Seventh AGM on August 10, 2022 at 10.00 a.m. (IST)	
2020-2021	Twenty Sixth AGM on August 11, 2021 at 10.00 a.m. (IST)	

ii. Special Resolutions passed in the last 3 (three) Annual General Meetings:

Sr. No.	Nature of Special Resolutions passed	Relevant provisions of the Act	AGM details
1.	Re-appointment of Mr. Apurva S. Diwanji as an ID for the second term of 5 (five) consecutive years	Sections 149, 150 and 152 of the Act	Twenty Sixth AGM held on August 11, 2021
2.	Payment of commission to Non-Executive Directors	Section 197 of the Act	
3.	Re-appointment of Mr. Bhadresh K. Shah as an ID for the second term of 5 (five) consecutive years	Sections 149, 150 and 152 of the Act	Twenty Eighth AGM held on August 11, 2023

iii. Approval of members through Postal Ballot:

During the Financial Year ended on March 31, 2024, the Company has not sought or passed any resolution through Postal Ballot.

iv. Extra Ordinary General meetings:

During the Financial Year ended on March 31, 2024, the Company has not held any Extra Ordinary General meeting.

9. General member information:

i. General information:

Corporate Identification Number (CIN)	L24230GJ1995PLC025878
Registered Office Address	Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle, S G Highway, Ahmedabad-382481
Date and Time of Twenty Ninth AGM	August 9, 2024 at 10.00 a.m. (IST)
Cut-off Date	Friday, August 2, 2024 A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the Depositories as on the cut-off date, shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
E-voting start time	9.00 a.m. (IST) on Tuesday, August 6, 2024
E-voting end time	5.00 p.m. (IST) on Thursday, August 8, 2024
Venue of Twenty Ninth AGM	As the AGM is to be held through VC / OAVM, the deemed venue shall be considered as the Registered Office of the Company.
Financial Year	April 1, 2023 to March 31, 2024
Record Date (for dividend)	Friday, July 26, 2024 A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the Depositories as on this date, shall be entitled to receive dividend.
Dividend Payment Date	On or after Wednesday, August 13, 2024, subject to approval of members.
Compliance Officer	Mr. Dhaval N. Soni, Company Secretary
Website Address	www.zyduslife.com

ii. Tentative financial calendar:

First Quarter Results	On or before August 14, 2024
Half Yearly Results	On or before November 14, 2024
Third Quarter Results	On or before February 14, 2025
Audited Results for the year 2024-2025	On or before May 30, 2025

The trading window closure for the financial results shall be from the first day from the closure of quarter till the completion of 48 hours after the financial results become generally available.

iii. Listing:

The equity shares of the Company are listed on NSE and BSE.

iv. Listing / Custodian fees:

The Company has paid the annual listing / custodian fees for the Financial Year 2024-2025 to the Stock Exchanges and the Depositories.

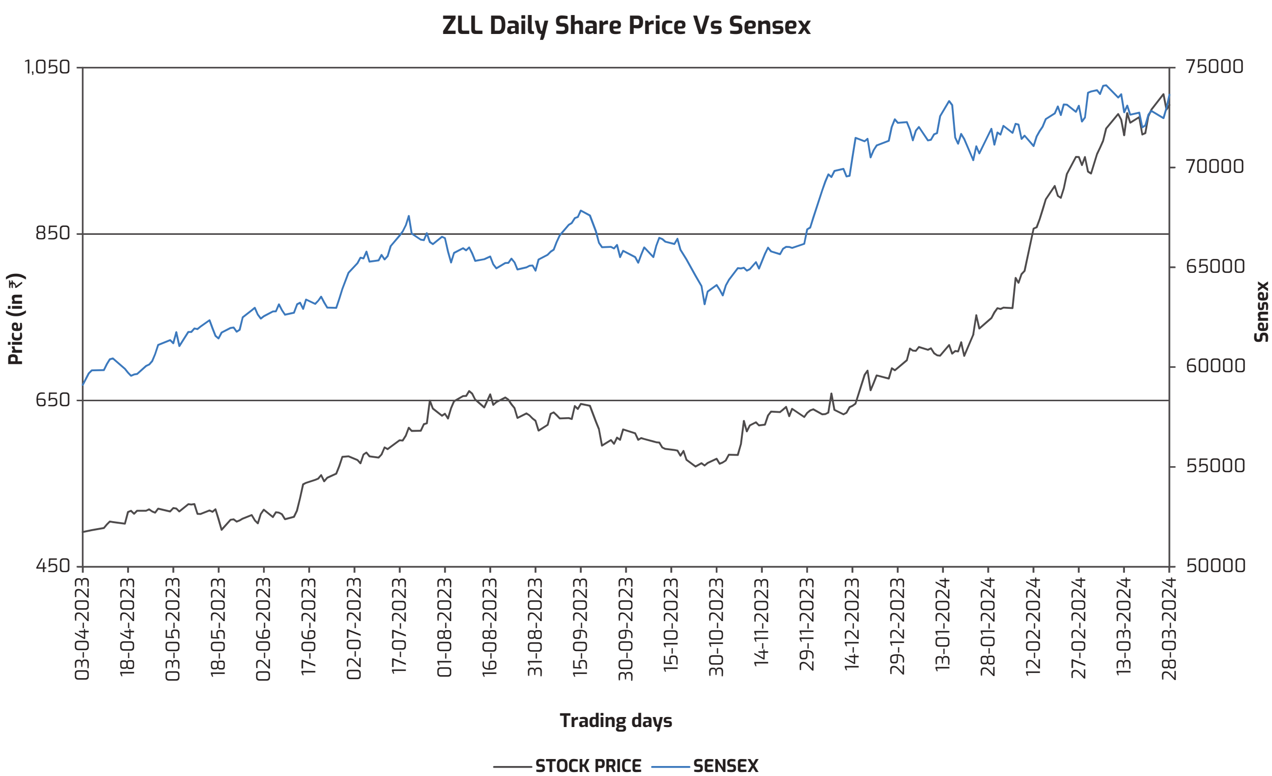
v. Stock Code and closing price:

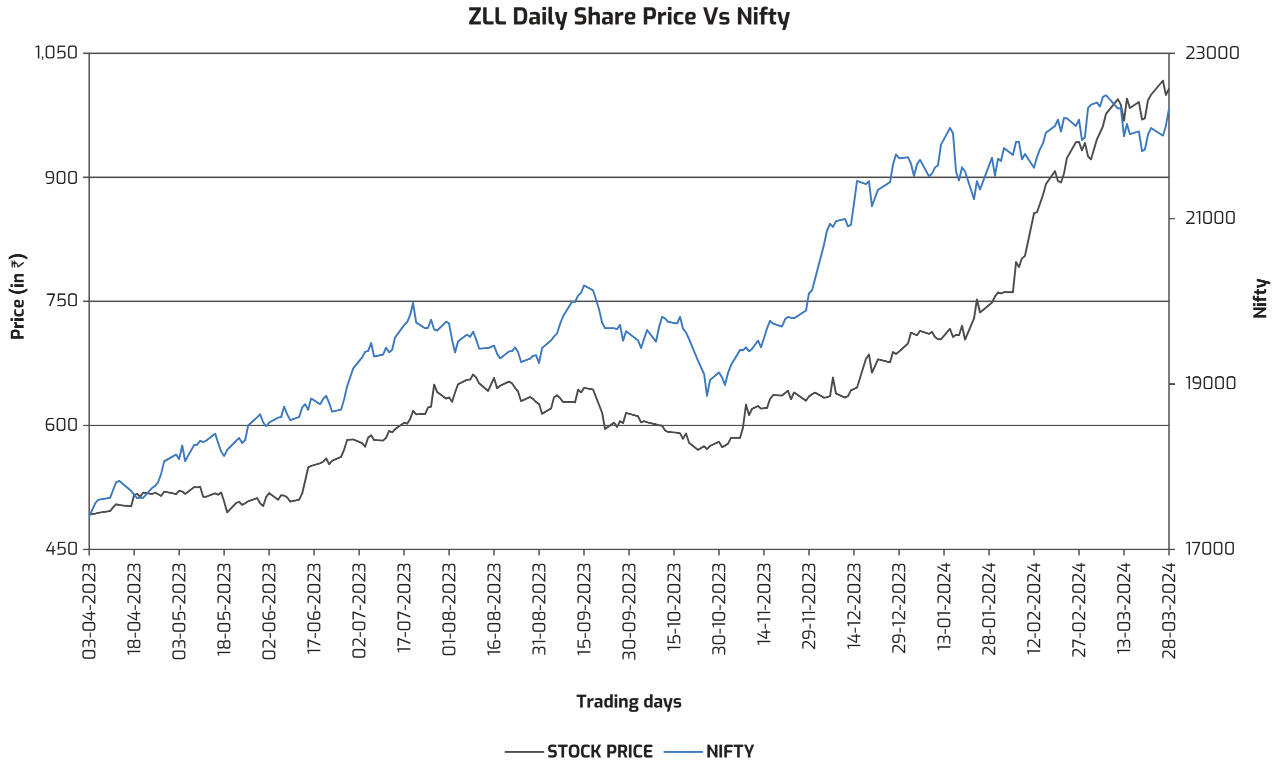
Name and Address of the Stock Exchange	Stock Code	Closing Price as on March 31, 2024 (₹)
The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051	Zyduslife	1007.35
BSE Limited P J Towers, Dalal Street, Mumbai-400001	532321	1005.25

vi. Stock price and BSE Sensex / Nifty 50 data:

Month	BSE Sensex	BSE			Nifty 50	NSE		
		High (₹)	Low (₹)	Av. Volume (In Nos.)		High (₹)	Low (₹)	Av. Volume (In Nos.)
Apr., 23	61112.44	524.35	486.05	42451	18065.00	524.30	486.00	952375
May, 23	62622.24	530.70	482.55	30259	18534.40	530.85	484.95	1017686
Jun., 23	64718.56	588.85	501.05	54789	19189.05	589.10	500.80	1258756
Jul., 23	66527.67	656.50	564.05	35356	19753.80	656.70	571.10	842815
Aug., 23	64831.41	668.50	620.05	57979	19253.80	668.75	622.00	1247184
Sept., 23	65828.41	653.55	587.05	37823	19638.30	653.90	589.15	1307897
Oct., 23	63874.93	618.10	567.85	32247	19079.60	618.00	567.75	1019997
Nov., 23	66988.44	649.00	570.35	29118	20133.15	649.05	570.25	1068352
Dec., 23	72240.26	696.65	630.15	87637	21731.40	696.50	630.00	1787642
Jan., 24	71752.11	765.50	684.75	45444	21725.70	766.00	685.00	1189075
Feb., 24	72500.30	953.55	749.00	65665	21982.80	953.65	749.20	1455188
Mar., 24	73651.35	1030.15	920.50	43672	22326.90	1027.80	919.20	1243961

vii. Stock Performance:





viii. Registrar and Share Transfer Agent:

Link Intime India Private Limited is the RTA of the Company.

For lodgment of any documents or any grievances / complaints, members may contact the Company's RTA at the following address:

Link Intime India Private Limited
(Unit: Zydus Lifesciences Limited)
506-508, 5th Floor, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off. CG Road, Navrangpura, Ahmedabad-380006.
Telephone and Fax: 079-2646 5179 / 5186 / 5187
E-mail id: ahmedabad@linkintime.co.in

ix. Share transfer system:

The Share Transfer Committee has been constituted to approve the transfers, transmission, issue of duplicate shares, etc. The Company's RTA has adequate infrastructure to process the above matters.

Pursuant to and in compliance with the provisions of regulation 40(9) of the Listing Regulations, Practicing Company Secretaries have certified due compliance of share transfer formalities on a yearly basis.

The Company, on a yearly basis file with the Stock Exchanges, a compliance certificate duly signed by both, the Compliance Officer of the Company and the authorised representative of the RTA, certifying that all activities in relation to share transfer facility is maintained by Link Intime India Private Limited, a SEBI approved Category-I Registrar and Share Transfer Agent registered with SEBI vide Registration No.: INR000004058.

x. Reconciliation of Share Capital Audit:

A Practicing Chartered Accountant carried out an audit in respect of each of the quarters in the Financial Year ended on March 31, 2024, to reconcile the total admitted capital with the Depositories and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of shares in physical mode and the total number of shares in demat mode held with the Depositories.

xi. Distribution of shareholding of Equity Shares as at March 31, 2024:

No. of Equity Shares	No. of Folios	% to total folios	No. of Equity Shares	% of Shareholding
1 to 500	281490	93.73	14438850	1.43
501 to 1000	9850	3.28	7398063	0.74
1001 to 2000	4510	1.50	6577197	0.65
2001 to 3000	1663	0.55	4188731	0.42
3001 to 4000	736	0.24	2608945	0.26
4001 to 5000	536	0.18	2458688	0.24
5001 to 10000	737	0.24	5111172	0.51
10001 and above	809	0.28	963452344	95.75
Grand Total	**300331**	**100.00**	**1006233990**	**100.00**
Members in Physical Mode	1260	0.42	1682275	0.17
Members in Electronic Mode	299071	99.58	1004551715	99.83
Grand Total	**300331**	**100.00**	**1006233990**	**100.00**

xii. Categories of members as at March 31, 2024:

Category	No. of Equity Shares Held		Total Equity Shares	% of Shareholding
	Physical	Electronic		
Promoters' holding	0	754504049	754504049	74.98
Mutual Funds	0	67554708	67554708	6.71
Banks, FIs and Insurance Companies	2310	57815980	57818290	5.75
Foreign Institutional Investors / Foreign Portfolio Investor / Foreign Nationals	0	57570263	57570263	5.72
NRIs	6825	3058400	3065225	0.31
Other Bodies Corporate	0	6087332	6087332	0.60
Central and State Government	0	2904	2904	0.00
Indian public	1672390	51967168	53639558	5.33
Others	750	5990911	5991661	0.60
Total	**1682275**	**1004551715**	**1006233990**	**100.00**

xiii. Top 10 (ten) members of the Company as at March 31, 2024:

Sr. No.	Name of the member	Category	Sub-category	No. of Equity Shares held	% of Shareholding
1	Zydus Family Trust	Promoter and Promoter Group	Promoter Group	754353343	74.97
2	Life Insurance Corporation of India	Public	Insurance Companies	31232118	3.10
3	Life Insurance Corporation of India-P & Gs Fund	Public	Insurance Companies	12992409	1.29
4	Kotak Flexicap Fund	Public	Mutual Funds	11150000	1.11
5	Parag Parikh Flexi Cap Fund	Public	Mutual Funds	7678847	0.76
6	BNP Paribas Financial Markets-ODI	Public	Foreign Portfolio Investor	5235345	0.52
7	Government Pension Fund Global	Public	Foreign Portfolio Investor	4345059	0.43
8	Kotak Emerging Equity Scheme	Public	Mutual Funds	4248259	0.42
9	HDFC Life Insurance Company Limited	Public	Insurance Companies	4260817	0.42
10	Vanguard Total International Stock Index Fund	Public	Foreign Portfolio Investor	3481108	0.35
	Total			**838977305**	**83.37**

xiv. Dematerialization of shares and liquidity:

The Company's equity shares are required to be compulsorily traded on the Stock Exchanges in dematerialized mode. Approximately 99.83% of the equity shares have been dematerialized. ISIN for dematerialization of the equity shares of the Company is INE010B01027.

xv. Location of the company's manufacturing plants:

The details of the locations of the manufacturing plants of the Company are mentioned on the inside cover page of the Annual Report.

xvi. Address for correspondence:

Members' correspondence should be addressed to the RTA at the address mentioned above.

Members may also contact the Company Secretary, at the Registered Office of the Company for any assistance.

Mr. Dhaval N. Soni, Company Secretary and Compliance Officer
Telephone: 079-48040000; Ext: 338
E-mail: companysecretary@zyduslife.com; dhavalsoni@zyduslife.com

In accordance with the provisions of IEPF Rules, the Board has appointed Mr. Dhaval N. Soni as the Nodal Officer for the purpose of coordination with the IEPF Authority.

Members holding shares in the demat mode should address all their correspondence to their respective DP.

xvii. Outstanding GDRs / ADRs / Warrants, its conversion date and likely impact on equity:

During the Financial Year ended on March 31, 2024, the Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

xviii. Details of non-compliance:

There was no non-compliance during the Financial Year ended on March 31, 2024 and no penalties were imposed or strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority. Practicing Company Secretaries have certified the compliance of the conditions of Corporate Governance and the certificate forms a part of this report, which is attached as **Annexure-"C"**. The certificate shall also be sent to the Stock Exchanges along with the annual report.

xix. Commodity price risk or foreign exchange risk and hedging activities:

The company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to the Management Discussion and Analysis Report.

xx. Weblinks:

List of various policies approved by the Board and other details and their respective weblinks are provided in the below table:

Sr. No.	Policy / Other details / Weblink
1.	Dividend Distribution Policy https://www.zyduslife.com/public/pdf/companypolicy/Dividend-Distribution-Policy.pdf
2.	Archival Policy https://www.zyduslife.com/public/pdf/companypolicy/Archival-Policy.pdf
3.	Policy for Determination and Disclosure of Materiality of an Event or Information https://www.zyduslife.com/public/pdf/companypolicy/Policy-for-Determination-and-Disclosure-of-Materiality-of-an-event-or-information.pdf
4.	Familiarization Program for Independent Directors https://www.zyduslife.com/public/pdf/companypolicy/Familiarization-Program-for-Independent-Directors.pdf
5.	Human Rights Policy https://www.zyduslife.com/public/pdf/companypolicy/Human-Rights-Policy.pdf

Sr. No.	Policy / Other details / Weblink
6.	Code of Business Conduct and Ethics https://www.zyduslife.com/public/pdf/companypolicy/Code-of-Business-Conduct-and-Ethics.pdf
7.	Policy for monitoring Stationary https://www.zyduslife.com/public/pdf/companypolicy/Policy-for-monitoring-stationary.pdf
8.	Corporate Social Responsibility Policy https://www.zyduslife.com/public/pdf/companypolicy/Corporate-Social-Responsibility-Policy.pdf
9.	Policy for determination of Legitimate Purpose for sharing Unpublished Price Sensitive Information https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-Determination-of-Legitimate-Purpose-for-sharing-UPSI.pdf
10.	Policy on inquiry on leakage of Unpublished Price Sensitive Information https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-inquiry-on-leakage-of-UPSI.pdf
11.	Policy on Preservation of Documents https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-Preservation-of-Documents.pdf
12.	Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions https://www.zyduslife.com/public/pdf/Policy_on_Related_Party_Transactions.pdf
13.	Policy to determine Material Subsidiary https://www.zyduslife.com/public/pdf/companypolicy/Policy-to-determine-Material-Subsidiary.pdf
14.	Public Policy https://www.zyduslife.com/public/pdf/companypolicy/Public-Policy.pdf
15.	Risk Management Policy https://www.zyduslife.com/public/pdf/companypolicy/Risk-Management-Policy.pdf
16.	Environment Health and Safety Policy https://www.zyduslife.com/public/pdf/companypolicy/Environment-Health-and-Safety-Policy.pdf
17.	Whistle Blower Policy https://www.zyduslife.com/public/pdf/companypolicy/Whistle-Blower-Policy.pdf
18.	Nomination and Remuneration Policy https://www.zyduslife.com/public/pdf/companypolicy/Nomination-and-Remuneration-Policy.pdf
19.	Policy on Insider Trading https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-Insider-Trading.pdf
20.	Policy on Prevention of Sexual Harassment of Women at Workplace https://www.zyduslife.com/public/pdf/companypolicy/Policy-on-Prevention-of-Sexual-Harassment-of-Women-at-Workplace.pdf
21.	Board Diversity Policy https://www.zyduslife.com/public/pdf/companypolicy/Board-Diversity-Policy.pdf
22.	Code of Conduct for Suppliers https://www.zyduslife.com/public/pdf/companypolicy/Zydus-Code-of-Conduct-for-Suppliers.pdf
23.	Zydus Business Conduct Policy https://www.zyduslife.com/public/pdf/Business-Conduct-Policy-2022.pdf
24.	Details of KMP authorized to determine materiality of an event or information and details of KMP authorized to disclose material event / information to the stock exchanges https://www.zyduslife.com/public/pdf/financial/Details%20of%20KMP%20authorized%20to%20determine%20materiality%20of%20an%20event.pdf
25.	Profile of Directors https://www.zyduslife.com/investor/#boardofdirector

xxi. Evolution of equity share capital:

Details of evolution of equity share capital since incorporation are provided in below table:

Sr. No.	Date of Allotment	No. of Equity Shares	Remarks
1	15.05.1995	200	Subscribers to the Memorandum of Association and the Articles of Association (Face Value ₹ 10/- each)
2	11.06.1996	500	Further allotment (Face Value ₹ 10/- each)
3	01.09.1997	14,884,223	Issued pursuant to Scheme of Arrangement and Amalgamation of erstwhile Cadila Group Companies to the members of Transferor Companies (Face Value ₹ 10/- each)
4	29.06.1998	7,442,553	Bonus Issue (2:1) (Face Value ₹ 10/- each)
5	17.08.1998	8	Issued from Bonus Fraction (Face Value ₹ 10/- each)
6	05.01.2000	44,655,368	Sub-division of equity share from Face Value of ₹ 10/- to ₹ 5/- each (Accordingly 22,327,684 equity shares of ₹ 10/- each got converted into 44,655,368 equity shares of ₹ 5/- each)
7	29.02.2000 & 16.03.2000	14,886,000	Initial Public Offer (Face Value ₹ 5/- each)
8	16.09.2003	3,265,486	Issue of equity shares to the members of German Remedies Limited under the Scheme of Amalgamation in the ratio of 4:7 (Face Value ₹ 5/- each)
9	05.09.2006	62,806,854	Bonus Issue (1:1) (Face Value ₹ 5/- each)
10	07.02.2009	10,885,305	Allotment of 100,885,305 equity shares with simultaneous cancellation of 90,000,000 equity shares, pursuant to the Scheme of Arrangement with Zydus Wellness Limited and Zydus Hospitals and Medical Research Private Limited. The corresponding effect is the addition of 10,885,305 equity shares. (Face Value ₹ 5/- each)
11	09.04.2010	68,249,507	Bonus Issue (2:1) (Face Value ₹ 5/- each)
12	08.10.2015	1,023,742,600	Sub-division of equity shares from Face Value of ₹ 5/- to ₹ 1/- each (Accordingly 204,748,520 equity shares of ₹ 5/- each got converted into 1,023,742,600 equity shares of ₹ 1/- each.)
13	19.07.2022	1,012,204,139	11,538,461 equity shares bought back.
14	15.03.2024	1,006,233,990	5,970,149 equity shares bought back.

If a member held 100 (one hundred) equity shares at the time of Initial Public Offer ("**IPO**") in 2000 and continued to hold the same, the member would have 1,500 (one thousand five hundred) equity shares today due to bonus issues and stock split.

Further, upon demerger of consumer products division of the Company into Zydus Wellness Limited, a subsidiary company, the members of the Company, during January 2009, got additional shares of Zydus Wellness Limited in the ratio of 15:4 i.e. for every 15 (fifteen) equity shares of the Company, 4 (four) equity shares of Zydus Wellness Limited were allotted.

As at March 31, 2024, the market capitalization of the Company was ₹ 1,019,644 mio.

xxii. Compliance status of Corporate Governance requirements as prescribed in the Listing Regulations:

The compliance status of corporate governance requirements as prescribed under regulation 17 to 27 and 46(2)(b) to (i) of the Listing Regulations is provided in below table:

Regulation	Details of regulation	Complied (Yes / No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders' / Investors' Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the listed company	Yes
24A	Secretarial Audit Report and Secretarial Compliance Report	Yes
25	Obligations of Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other corporate governance requirements	Yes
46(2)(b) to (i)	Website	Yes

xxiii. Corporate benefits to the members in last 5 (five) years:

A. Dividend:

Year	Percentage (%)	In ₹ per share (Face value of ₹ 1/- each)	Dividend Amount (₹ in mio. including TDS)
2018-2019	350	3.50	3,583.09
2019-2020	350	3.50	3,583.09
2020-2021	350	3.50	3,583.09
2021-2022	250	2.50	2,530.51
2022-2023	600	6.00	6,073.22
2023-2024 *	300	3.00	3,018.70

* Subject to approval of members at the ensuing AGM.

B. Buyback:

Date of buyback	No. of Equity Shares bought back	Price of buyback per equity share (₹)	Buyback size (₹ in mio.)
July 14, 2022	11,538,461	650	7,500
March 24, 2024	5,970,149	1,005	6,000

10. Non-Mandatory requirements of regulation 27(1) and Part E of Schedule II of the Listing Regulations:

i. The Company has a Non-Executive Chairman and is entitled to maintain its office at the Company's expense and allowed reimbursement of expenses incurred in performance of duties.

ii. The quarterly / half yearly / yearly results are not sent to the members. However, the same is published in the newspapers and is also posted on the Company's website.

iii. The Company's financial statements for the Financial Year ended on March 31, 2024 do not contain any audit qualification.

iv. The internal auditors report to the Audit Committee and they make quarterly presentations on their reports.

v. The auditors' report on financial statements of the Company is with unmodified opinion.

vi. The Company approves the quarterly unaudited financial results and the audited financial results for the entire financial year.

Annexure-"A"

MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To
The Board of Directors,
Zydus Lifesciences Limited

As required under the regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**") read with Part B of Schedule II of the Listing Regulations, we hereby certify that:

(A) We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2024 and that to the best of our knowledge and belief;

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on March 31, 2024 which are fraudulent, illegal or in violation of the Company's code of conduct.

(C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.

(D) We have indicated to the auditors and the Audit committee:

1. significant changes in internal control over financial reporting during the year ended on March 31, 2024;
2. significant changes in accounting policies during the year ended on March 31, 2024 and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sharvil P. Patel
Managing Director
DIN: 00131995

Nitin D. Parekh
Chief Financial Officer

Place : Muscat, Oman
Date : May 17, 2024

Annexure-"B"

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
Zydus Lifesciences Limited
(CIN: L24230GJ1995PLC025878)
Registered Office: 'Zydus Corporate Park', Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej-Gandhinagar Highway,
Ahmedabad-382481

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Zydus Lifesciences Limited ("the **Company**") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**").

In our opinion and to the best of our information and according to the verifications (including Director Identification Number ("**DIN**") status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or such other statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Pankaj Ramanbhai Patel	00131852	May 15, 1995
2.	Sharvil Pankajbhai Patel	00131995	August 1, 1997
3.	Mukesh Mangalbhai Patel	00053892	August 1, 1997
4.	Dharmishta Narendraprasad Raval	02792246	May 16, 2014
5.	Nitin Raojibhai Desai	00140239	May 6, 2011
6.	Apurva Shishir Diwanji	00032072	May 13, 2016
8.	Bhadresh Kantilal Shah	00058177	December 6, 2018
9.	Akhil A. Monappa	09784366	November 29, 2022
10.	Upasana Kamineni Konidela	02781278	November 29, 2022

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the same based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **MANOJ HURKAT & ASSOCIATES**
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R. HURKAT
Partner
FCS No.: 4287, C P No.: 2574
UDIN: F004287F000353603

Place : Ahmedabad
Date : May 17, 2024

Annexure-"C"

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of
Zydus Lifesciences Limited
(CIN: L24230GJ1995PLC025878)
Registered Office: "Zydus Corporate Park", Scheme No. 63,
Survey No. 536, Khoraj (Gandhinagar),
Near Vaishnodevi Circle, Sarkhej-Gandhinagar Highway,
Ahmedabad-382481

We have examined all relevant records of Zydus Lifesciences Limited ("the **Company**") for the purpose of certifying compliance of the conditions of Corporate Governance as prescribed under The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**") for the Financial Year ended March 31, 2024. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Paragraphs C, D and E of Schedule V of the Listing Regulations, during the year ended on March 31, 2024.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **MANOJ HURKAT & ASSOCIATES**
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R. HURKAT
Partner
FCS No.: 4287, C P No.: 2574
UDIN: F004287F000353625

Place : Ahmedabad
Date : May 17, 2024

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24230GJ1995PLC025878
2	Name of the Listed Entity	Zydus Lifesciences Limited
3	Year of incorporation	1995
4	Registered office address	"Zydus Corporate Park", Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Ahmedabad-382481
5	Corporate address	"Zydus Corporate Park", Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Ahmedabad-382481
6	E-mail	dhavalsoni@zyduslife.com
7	Telephone	+917948040000, +917971800000
8	Website	www.zyduslife.com
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE and NSE
11	Paid-up Capital	₹ 1,006.23 mio
12	Name of the Person	Mr. Vishal J. Gor
	Telephone	+917948040235
	Email address	vishalgor@zyduslife.com
13	Type of Reporting	Consolidated Basis, unless stated otherwise in the report
14	Name of assurance provider	M/s Intertek India Private Limited
15	Type of assurance obtained	Reasonable assurance

II. Products / services

16. Details of business activities

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Pharmaceuticals	Research and development, manufacturing, marketing, and distribution of pharmaceutical products, including active pharmaceutical ingredients (APIs) and finished dosage formulations	87.90
2	Consumer Wellness	Research and development, manufacturing, marketing and distribution of consumer health and wellness products	12.10

17. Products / Services sold by the entity:

Sl. No.	Product/Service	NIC Code	% of Total Turnover contributed
(i)	Formulation (including Biologics)	Group 210 Class 2100	84.50%
(ii)	APIs	Group 210 Class 2100	3.40%
(iii)	Sweetener	10729	12.10%
(iv)	Nutritional drink	10509	
(v)	Glucose powder	10623	
(vi)	Table spread	10504	
(vii)	Skincare products	20237	
(viii)	Total Revenues %		100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	No. of Offices	Total
National	32	20*	52
International	3	37*	40

*Includes R&D Centre

19. Market served by the entity

a)	No. of Locations	Locations	Numbers
		National (No. of States)	Pan India
		International (No. of Countries)	81 Countries
b)	What is the contribution of exports as a percentage of the total turnover of the entity?	60.50%*	
c)	A brief on types of customers	The company markets products meant for patients and/or end consumers through distributors and supplies to institutional customers such as private and government hospitals. The company exports its products to various overseas customers through its own subsidiaries and also other distributors. API is supplied to other pharmaceutical companies for their use in formulations business (B2B). The company also does contract manufacturing for other pharmaceutical companies.	

* Exports from India

IV. Employees

20. Details as at the end of Financial Year:

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

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees (including differently abled)					
	Employees					
1	Permanent Employees (A)	21649	19840	92%	1809	8%
2	Other than Permanent Employees (B)	73	52	71%	21	29%
3	Total Employees (A+B)	21722	19892	92%	1830	8%
	Worker (including differently abled)					
	Workers					
4	Permanent Workers (E)	5272	5046	96%	226	4%
5	Other than Permanent Workers (F)	2481	2317	93%	164	7%
6	Total Workers (E+F)	7753	7363	95%	390	5%

(b) Details as at the end of Financial Year – Differently-abled employees and workers

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1	Permanent Employees (A)	185	139	75%	46	25%
2	Other than Permanent Employees (B)	10	9	90%	1	10%
3	Total Employees (A+B)	195	148	76%	47	24%
	Worker					
4	Permanent Workers (E)	2	2	100%	0	0%
5	Other than Permanent Workers (F)	9	8	89%	1	11%
6	Total Workers (E+F)	11	10	91%	1	9%

21. Participation/Inclusion/Representation of women:

Sl. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	10	2	20%
2	Key Management Personnel	4	0	0%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2023-2024 (Turnover rate in current FY)			FY 2022-2023 (Turnover rate in previous FY)			FY 2021-2022 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20%	21%	20%	22%	23%	22%	25%	21%	24%
Permanent Workers	18%	12%	18%	26%	13%	24%	18%	14%	17%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures : The details of holding / subsidiary / associate / joint venture companies are given in Form no AOC-1, on Page No. 367 of annual report.

Does the entity indicated in above form, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) Yes, all the entities, wherever applicable, participate in the relevant Business Responsibility initiatives of the company, except the associate companies and joint venture companies.

VI. CSR Details

24. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

Turnover (in ₹) 103,176,000,000*

Net worth (in ₹) 157,165,000,000*

* For standalone operation of Zydus Lifesciences Limited

Note: Provisions of CSR are applicable to Zydus Lifesciences Limited, Zydus Healthcare Limited, Zydus Animal Health and Investments Limited, German Remedies Pharmaceuticals Private Limited, Zydus Hospira Oncology Private Limited and Zydus Takeda Healthcare Private Limited

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for grievance redress policy	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	a. https://www.zyduslife.com/adverse_event_reporting/	0	0		0	0	
Investors (other than shareholders)	Yes		0	0		0	0	
Shareholders	Yes	b. https://www.zyduslife.com/public/pdf/companypolicy/Whistle-Blower-Policy.pdf	36	0		25	0	
Employees and workers	Yes		25	0		26	0	
Value Chain Partners	Yes		0	0		0	0	
Customers	Yes	c. https://www.zyduslife.com/public/pdf/companypolicy/Code-of-Business-Conduct-and-Ethics.pdf	1206	0		787	0	0
Other (please specify)		d. https://www.zyduslife.com/public/pdf/companypolicy/Human-Rights-Policy.pdf e. The internal policies are available at the intranet portal of the organization for its employees.	452	0	Complaints related to Packaging, Quality etc	552	0	Complaints related to Packaging, Quality etc.

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change (GHG Emissions)	Risk	• Climate changes, especially the extreme weather events and rising global temperatures caused by Green House Gas (GHG) emissions and failure to adapt and mitigate such changes are among the major risks being faced world over and they also pose a major risk on the sustainability of businesses across the globe. • Climate adaptation and resilience are important in building a future-ready and sustainable organization. They can also help reduce operational costs and drive greater efficiencies for the business.	• Generation of solar power at manufacturing locations • Improving energy efficiency / operational efficiency of energy consuming equipment to reduce energy consumption • Increase in utilization of bio fuel / hybrid fuel to minimize the dependency on conventional fuel i.e. coal/diesel etc. • Increase in procurement of solar-wind hybrid power	Negative
2.	Waste Management	Risk	• Inefficient management of waste is a risk to a business because of the hazard it could pose to the relevant stakeholders. • Generation of increasing waste also impacts the environment and its management becomes a challenge.	• Disposal of waste in a responsible manner • Complying with applicable regulations for waste generation and disposal • More emphasis on reduction of waste generation • Increase in waste disposal via eco friendly pro processing and co processing	Negative
3.	Water Management	Risk	• Water is a shared resource, making it important for businesses to use it responsibly. Ensuring responsible consumption is key to socially sustainable business practices. • Applicable regulations for reuse and recycle of treated water are stringent	• Adopting Zero Liquid Discharge (ZLD) approach to recycle, reuse water resources and reduce fresh intake of water. • Use of water efficient technologies • Implementing efforts to achieve water neutrality • Sensitizing internal and external stakeholders to reduce water consumption.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Corporate Governance and Ethics	Risk	• Zydus is a global lifesciences company which engages with many stakeholders. • The Company strongly believes that breach of ethics or integrity can deteriorate the Company's goodwill, which will result in loss of reputation.	• Adopting a zero tolerance policy for breach of ethics and integrity. • Adopting Code of Business Ethics and Conduct which is applicable to the Directors and employees of the Company. • The Code encourages honesty, trust, accountability and transparency. • Orientation on Code of Business Conduct and Ethics to all new joiners for adherence it in spirit and deed.	Negative
5.	Human Capital and Welfare	Opportunity	• Employee retention is critical to any organization because skill-based and knowledgeable human capital is an asset and is required to achieve the long-term sustainability and growth of the organization.		Positive
6.	Community Engagement	Opportunity	Community engagement helps organization in making meaningful interventions to bring significant benefits to large sections of the society, which aids sustainable growth of the business.		Positive
7.	Anti-Bribery and Corruption	Risk	Operations in multiple locations across the globe with diversified manpower may pose challenges with respect to resorting to corrupt practices leading to financial loss.	a) Adopting a comprehensive Code of Business Ethics and Conduct policy which is applicable to the directors and employees of the Company. b) Organization-wide awareness on anti-bribery and anti-corruption policy and consequences of its violation.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8.	R&D and Innovation	Risk	• Access control, archival and retrieval of R&D data is absolutely critical since any leakage of such data can lead to substantial loss of future opportunities. • Tenure of scientific pool / knowledge transfer is critical especially when working on complex dosage forms / technologies.	• Digital storage of project specific information with clearly defined access control. • Management of issuance of lab notebook and their physical archival is managed and supervised by a dedicated documentation cell. • Implementation of Good Laboratory Practices (GLP) documentation wherever required. • Continued association of the leadership team -. Majority of the senior leadership team at technology centers are associated with Zydus for more than a decade	Negative
9.	Responsible Marketing, Selling Practices and Product Labelling	Risk	• Regulatory authorities have a Zero tolerance policy against unethical marketing / promotion activities and there are stringent regulations to be abided by in this regard. • Any non-compliance of such regulations can pose penal actions by such authorities and also loss of goodwill for the organization.	Adopting policy for ethical marketing, advertising and sales practices. The policy covers/ contains the following: • Providing accurate and balanced information about the company's products and services to its customers • Provision to ensure ethical interactions with customers and healthcare professionals	Negative
10.	Sustainable Supply Chain	Risk	• Supply chain partners, spread across various geographies of the globe, are responsible to ensure on-time delivery of desired quality of input materials, products, services and capital goods that are critical to the operations and are important for business continuity. • Any threat to sustainability of operations of supply chain partners could potentially disrupt the company's operations.	• Thorough evaluation process before onboarding any critical vendor, • Mandatory acceptance of Supplier code of conduct by the vendor. • Annual desk assessment of vendor based on ESG parameters • Creating multiple supplier base for critical products and services to maintain business continuity • Implementing a robust system to check all statutory compliances by the vendor • Ongoing efforts to create awareness among vendors regarding ESG parameters	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Product Quality and Safety	Risk	• Failure to maintain the quality standards and comply with regulations leads to regulatory actions which in turn, adversely impacts the business. • It results into suspension of supply of products and cessation of new product approvals from the concerned sites	• Establishing a robust quality management system which ensures the quality, safety and sustainable supply of products. • Implementation of Quality Risk Assessment Program to ensure regulatory and data integrity compliance. • Implementation of industry learning (regulatory learning) to avoid the recurrence of quality issues. • Review of processes / product performance, key quality indicators, risk assessment outcomes and audit findings on a regular basis in order to proactively address quality issues. • Automation in quality operations to ensure sustainable compliance and all-time audit readiness.	Negative
12.	Employee health and safety	Risk as well as Opportunity	• Physical and mental health problems of the employees can have major socio-economic impact on the organization. • Also, employees are the core assets of the Company. Their safety and well-being enhances their productivity which aids in improvement of financial health of the Company.	• Zydus wellbeing covers a gamut of initiatives from annual health checkups to subsidized treatment for employees and their families at Zydus Hospitals • 24X7 medical assistance with ambulance services and emergency first aid is available at all manufacturing sites. • Offering medical insurance policy for on roll employees and workers. • Extending the medical insurance policy to parents of the employees. • Added sum assured through top-up can also be availed by employees. • Zydus Cares a special initiative for pregnant women helps them right through their pregnancy with a buddy being assigned to them for all assistance.	

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				• Zydus Clubs provides opportunities to employees to come together and delve in their passion and hobbies like poetry, singing, photography, sports and fitness, dancing etc. This helps them strike the right work life balance. • Zydus "Khel Ka Mahasangram" held through the year and helps employees participate in various sports including cyclothons. • All protocols relating to human rights, safety, health and hygiene are strictly adhered.	

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and Management Processes									
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	www.zyduslife.com Please refer link for policies : https://www.zyduslife.com/companypolicy								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Supplier Code of Conduct extends to all value chain partners.								
4	Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	a) ISO 14001 and ISO 45001 for majority of the manufacturing locations (P3, P4: Health and Safety for all stakeholders working in factory, P6, P9: Environment and Product Labelling) b) ISO 27001:2013 for one of the major API Units (P9: IT Security) c) Europe GMP Certificate (P2: Good Manufacturing Practice) d) EU GDP Certificate (P2: Good Distribution Practices) e) GMP certificate from State FDA f) FSSC certification to major manufacturing facilities of consumer wellness business								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Following are the sustainability commitments of the company for standalone operations: a) Gender diversity of 12% by FY2026. b) Carbon neutrality in operations (scope 1 and 2 emissions) by FY2035 c) Net Water Neutrality by FY2028 d) Waste disposal via coprocessing up 40% for India operations by FY2026 e) 45% reduction in GHG Intensity reduction by FY2030 with baseline of FY21-22 aligned with Intended National Determined Contributions (INDC) by Govt. of India								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance against goals in FY 2024 for standalone operations are as follows: (a) Gender Diversity of 6% in FY2024 (b) 29% renewable energy in total energy mix (c) 16% reduction specific water consumption (d) 29% waste disposal via co processing (e) 30% reduction in GHG Intensity achieved w.r.t the baseline								
Governance, Leadership and Oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Please refer Chairman message from the company's annual report of FY2024.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Chairman								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, CSR and ESG Committee								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically / on a need basis by department heads / directors /Board Committees / Board members, wherever applicable.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency	No	No	No	No	No	No	No	Yes*	No

* Name of agency: SoulAce Consulting Private Limited

The agency conducted impact assessment of group's flagship CSR programme Zydus Medical College and Hospital.

The report of impact assessment can be found on the following link :
https://www.zyduslife.com/investor/admin/uploads/18/108/CSR-Impact-Assessment-Report.pdf

12. If all Principles are not covered by a policy, reasons to be stated

Questions	P 1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done in the next financial year (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A.: Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	02	a) Board Familiarisation Programme b) Training module on all principles of BRSR and overview of Sustainable Development Goals (SDG)	100%
Key Management Personnel	01	All principles of BRSR	100%
Employees other than BODs and KMPs	239	All principles of BRSR and overview of Sustainable Development Goals (SDG), Human Rights, Safety, Health and Hygiene, Environment	100%
Workers	428	Human Rights, Safety, Health and Hygiene Environment, Skill Development	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

a. Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement		Nil			
Compounding fee					

b. Non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
		Nil		

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

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

*Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the company has an anti-bribery and anti-corruption policy. The policy has been developed in alignment with Zydus' Code of Business Conduct and Ethics (COBE) and other rules and regulations against elements of anti-bribery and anti-Corruption that govern the Company. The policy reiterates that the company does not tolerate any bribery and corruption and upholds the highest standards of integrity and transparency in all its interactions and routine business activities. The policy forms a part of the Business Conduct Policy, applies to all members of the Board of Directors, full and part-time employees of the company and its subsidiaries and affiliates. All business partners are also expected to follow the same standard of ethics when conducting business with the company or on its behalf. Please refer to https://www.zyduslife.com/public/pdf/Business-Conduct-Policy-2022.pdf

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

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees other than BoD and KMPs	Nil	
Workers		

6. **Details of complaints with regard to conflict of interest:**

Topic	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil			
Number of complaints received in relation to issues of Conflict of Interest of KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

None

8. **Number of days of accounts payables ((Accounts payable*365) / Cost of goods/services procured) as provided in the following format:**

	FY 2023-2024	FY 2022-2023
Number of days of accounts payables	69.89	71.18

9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties in the format provided:

Parameter	Metrics		FY 2023-2024	FY 2022-2023
Concentration of Purchases*	a.	Purchases from trading houses as % of total purchases	20.80%	22.58%
	b.	Number of trading houses where purchases are made from	2500+	2500+
	c.	Purchases from top ten trading houses as % of total purchases from trading houses	58%	52.15%
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	91.50%	91.40%
	b.	Number of dealers / distributors to whom sales are made	13000+	13000+
	c.	Sales to top ten dealers / distributors as % of total sales to dealers / distributors	38.96%	38.82%
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	1.02%	1.11%
	b.	Sales (Sales to related parties / Total Sales)	0.11%	0.33%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d.	Investments (Investments in related parties / Total Investments made)	10.33%	10.92%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in value chain covered by the awareness programmes
19	The company conducts training and awareness session for supply chain partners on topics like anti-bribery, unfair trade practices, anti-discrimination, fair treatment, anti-competition, data privacy and protection, workers health and safety protection, resource conservation and climate protection, waste and emissions etc. These are an integral part of Zydus's Supplier Code of Conduct.	23*

*The value chain partners comprise of vendors/suppliers providing raw materials, APIs, intermediates, excipients, packaging materials and indirect materials to the company.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

Yes, as part of the governance ecosystem, the company has adopted the best practices with respect to the review of conflict of interest of the directors. The disclosures made by the directors are placed before the Board along with any potential conflict of interests. The Board collectively is responsible for any business decisions, wherein any of the directors are interested. The interested directors are not allowed to be part of any decision-making process for any business transaction wherein they have a conflict of interest. The directors and members of senior management submit annual affirmations in this regard to the company. The Code of Business Conduct and Ethics, applicable to the directors and members of the senior management of the company is posted on the website of the company.

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

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2023-24	FY2022-23	Details of improvement in social and environmental aspects
Research & Development (R&D)	100%	100%	Investments in specific technologies to improve the environmental and social impacts of products and processes
Capital Expenditure (CAPEX)	23%	15%	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes, the company ensures that suppliers are evaluated on sustainability indicators. Before onboarding any vendor (supplying APIs, intermediates, excipients, packaging materials, raw materials and indirect materials), we evaluate them on ESG parameters, including business ethics, environment, human rights etc.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   23*% of inputs were sourced sustainably from vendors and suppliers who have established ESG practices.

   *The value chain partners comprise of vendors/suppliers providing raw materials, APIs, intermediates, excipients, packaging materials and indirect materials to the company.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Product	Process to safely reclaim the product
Packaging	• As per the requirements of The Plastic Waste Management Rules 2016, the company is registered as a Brand Owner in the Extended Producer Responsibility (EPR) portal by the regulatory authorities. • Equivalent quantity of plastic material that has gone in to the domestic market (within India) is collected through authorized waste management agency for recycling and energy recovery under EPR.
E-waste	E – Waste is sent to authorized vendors/recyclers.
Hazardous Waste	Hazardous waste is sent to authorized pre – processor, co–processor, recycler, secured landfill and incinerator site for safe disposal.
Other Waste	• Non-hazardous waste is sent to registered vendors for disposal. • Bio-medical waste is sent to common bio-medical waste incineration facility authorized by the regulators for safe disposal.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

- Yes, Extended Producer Responsibility (EPR) is applicable to the company activities.
- The plastic waste collection plan is in-line with the Extended Producer Responsibility (EPR) plan submitted to the Central Pollution Control Board.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.**

No, the company has not conducted the Life Cycle Assessment (LCA).

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

S. No.	Name of the product	Description of the risk	Action Taken
Not Applicable			

3. **Percentage of recycled or reused material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   The company, being in the business of pharmaceuticals and healthcare, safety and quality of the products are of the highest priority since its products directly impact the health of end users. Therefore, the company does not reuse any material / chemical for manufacturing. The Company is complying with EPR regulations through its plastic take back and recycle programs. However, 100% of paper consumed during manufacturing /packaging is reused in our consumer wellness business.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

   (a) Reclaimed end of life products are collected at central authorized collection site and sent to co–processing for energy recovery.

   (b) Plastic packaging material is covered under EPR of Plastic Waste Management Rules

	FY2023-24			FY2022-23		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging) – EPR collections (MT)	---	8581.75	98.9 (Energy Recovery)	---	2953.55	94.09 (Energy Recovery)
E-waste (MT)	---					
Hazardous waste (MT)	---	---	311 (Co-processing)	---	---	557.31 (Co-processing)
Other waste (MT)	---	---	---	---	---	---

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Considering the nature of business, being pharmaceutical and consumer wellness, the company does not reclaim products for reuse or recycling. However safe disposal at the end of their lifecycle is practiced. Plastic packaging material is covered under EPR of Plastic Waste Management Rules

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

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	19840	19788	99.7%	19779	99.7%	NA	NA	19740	99.5%	NA	NA
Female	1809	1785	98.7%	1769	98%	1739	96%	NA	NA	1709	94.5%
Total	**21649**	**21573**	**99.6%**	**21548**	**99.5%**	**1739**	**8%**	**19740**	**91%**	**1709**	**8%**
Other than Permanent Employees											
Male	52	18	34.6%	18	35%	NA	NA	52	100%	NA	NA
Female	21	7	33.3%	7	33%	7	33%	NA	NA	7	33%
Total	**73**	**25**	**34.2%**	**25**	**34%**	**7**	**10%**	**52**	**71%**	**7**	**10%**

1. b. **Details of measures for the well-being of workers:**

Category	% Of Workers Covered By										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	5046	4945	98.0%	4945	98.0%	NA	NA	4945	100%	NA	NA
Female	226	183	80.9%	183	80.9%	183	80.9%	NA	NA	182	80.5%
Total	**5272**	**5128**	**97.3%**	**5128**	**97.3%**	**183**	**4%**	**4945**	**96%**	**182**	**4%**
Other Than Permanent Workers											
Male	2317	101	4%	101	4%	NA	NA	2317	100%	NA	NA
Female	164	43	26%	43	26%	164	100%	NA	NA	164	100%
Total	**2481**	**144**	**6%**	**144**	**6%**	**164**	**7%**	**2317**	**93%**	**164**	**7%**

1. c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2023-2024	FY 2022-2023
Cost incurred on wellbeing measures as a % of total revenue of the company	0.44%*	0.41%*

* Permanent Employees

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year:**

Sl. No.	Benefits	FY 2023-24 (Current FY)			FY 2022-23(Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	Provident Fund	100%	100%	Yes	100%	100%	Yes
2	Gratuity	100%	100%	Yes	100%	100%	Yes
3	ESI	9%	55%	Yes	11%	59%	Yes

The company also provides additional social security benefits i.e. National Pension Scheme, Superannuation to the consumer wellness and applicable foreign business locations.

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

Yes the premises/ offices of the company provide ramps to enable easy movement for differently-abled employees and workers. The offices are located either on the ground floor or have elevators and infrastructure for differently-abled individuals. For more comfortable working space, the company provides various facilities for the benefit of persons with disabilities.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the company is an equal opportunities employer. The company treats all job applicants fairly and do not support any form of discrimination. The company respects all related laws in employment decisions and do not discriminate against individuals on the basis of race, colour, gender, age, national origin, religion, sexual orientation, gender identity or expression, marital status or disability. To strengthen the commitment for increasing employment opportunities for physically disabled persons, the company has identified and allocated certain jobs/ activities that shall be done by certain types of disabled employees only. Please refer the following link:

Pharmaceutical Careers Opportunities | Pharma jobs at Zydus Group (zyduslife.com)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	99.18%	99.18%	0*	0*
Total	**100%**	**100%**	**100%**	**100%**

*No instance of availment of parental leave

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

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	Following mechanisms are in place to receive and address grievances of employees and workers: A) The company has an internal employee support and helpdesk system called Zydus Connect 2.0 with following features: I. Through this helpdesk, employee can raise their queries which are responded to within the defined timeline. II. Employee can reach out to Group HR Head (CHRO) through this system and raise concerns and queries directly to him and concerned head of the business vertical. III. It has mechanism for collecting feedback from employees on various matters. B) The company has a whistle-blower policy approved by the board of directors to report to the management by the employees, any concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. It provides adequate safeguards against victimization of employees who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee in exceptional cases. For detailed mechanism, kindly refer following link : https://www.zyduslife.com/public/pdf/companypolicy/Whistle-Blower-Policy.pdf
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

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

Category	FY 2023-2024 (Current Financial Year)			FY 2022-2023 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / Workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	**21649**	**8**	**0.04%**	**18064**	**12**	**0.07%**
- Male	19840	5	0.03%	16783	7	0.04%
- Female	1809	3	0.17%	1281	5	0.39%
Total Permanent Workers	**5272**	**700**	**13%**	**4868**	**654**	**13%**
- Male	5046	664	13%	4699	561	12%
- Female	226	36	16%	169	93	55%

8. Details of training given to employees and workers:

Category	FY 2023-2024 Current Financial Year					FY 2022-2023 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	19840	7639	39%	5004	25%	17605	7931	45%	6722	38%
Female	1809	1560	83%	1809	100%	1638	1529	93%	831	51%
Total	**21649**	**9199**	**42%**	**6813**	**38%**	**19243**	**9460**	**49%**	**7553**	**39%**
Workers										
Male	5046	1888	37%	3047	60%	5106	1442	28%	1648	32%
Female	226	226	100%	82	36%	361	228	63%	61	17%
Total	**5272**	**2114**	**40%**	**3129**	**59%**	**5467**	**1670**	**31%**	**1709**	**32%**

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

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	% (D/C)
Permanent Employees						
Male	19840	19840	100%	17605	8607	49%
Female	1809	1745	96%	1638	1251	76.3%
Total	**21649**	**21585**	**99.7%**	**19243**	**9858**	**51%**
Permanent Workers						
Male	5046	5045	100%	5106	3110	60.9%
Female	226	226	100%	361	150	41.5%
Total	**5272**	**5271**	**100%**	**5467**	**3260**	**100%**

10. Health and safety management system:

a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes, occupational health and safety management system has been implemented by the company.
a.1	What is the coverage of such system?	The coverage of such systems is 100% across the company
b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Processes like PSSR (Pre-Start-up Safety Review), HAZOP (Hazard operating procedures) HIRA (Hazard Identification Risk Assessment), Risk Assessment, Third Party Safety Audit, Safe Work Permit System are in place to identify the work related hazards and risks related to routine and non-routine activities.
c.	Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)	Yes, the workers are part of safety committee meeting as per statute, where workers report the work related hazards and mitigation measures are discussed and implemented.
d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, the company have necessary arrangements to meet non-occupational medical requirements for employees and workers (e.g. onsite doctor / Occupational Health Centre (OHC) clinic to attend to all medical queries). Also medical insurance policy is provided to all permanent employees and workers.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.02	0.06
	Workers	0	0.07
Total recordable work-related injuries	Employees	1	3
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

- The company has EHS Policy displayed at important locations and training has been conducted to all the stakeholders on the EHS policy.
- Adoption and adherence to ISO 45001 (Occupational Health and Safety Management System) requirements.
- Safety Infrastructure like fire hydrant systems, fire extinguisher, fire alarm systems and other fire suppression systems are in place.
- The company has deployed engineering controls and mitigation measures like sensor-based machine interlocks, guards for moving parts of machines based on hazard identification and risk assessment of activities at workplaces.
- Regular trainings are provided to employees and workers for performing various activities in a safe manner and applicable personal protective equipment (PPE) are made available to employees and workers.
- Work place monitoring is conducted for ensuring maintenance of safe working environment at the workplaces as per statutory requirements.
- Pre-employment and periodical medical examination of employees and workers are conducted as per the statute.

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

Topic	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	---	0	0	---
Health & Safety	0	0	---	0	0	---

14. Assessments for the year:

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

* India operations

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

The company has implemented corrective actions to address significant risks / concerns arising from assessments of health and safety practices and working conditions like :

(a) Installation of safety interlocks to the machines, motion sensors and interlocks for moving equipment like blenders, compressor machines and packing machines.

(b) Training on safe working practices provided to all shop floor employees.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**
   c. Employees (Yes/No): Yes
   d. Workers (Yes/No): Yes
2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   The company ensures that acknowledgements are obtained from the vendors under the supplier code of conduct for a commitment to adhere to all the applicable laws and regulations.
3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Current FY 24	Previous FY 23	Current FY 24	Previous FY 23
Employees	0	0	0	0
Workers	**0**	**0**	**0**	**0**

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).**
   - Yes, the company provides counselling to employees who are nearing retirement on financial planning and also has a policy of retainership for select roles and positions.
5. **Details on assessment of value chain partners:**

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	23%*
Working Conditions	23%*

*The value chain partners comprise of vendors/suppliers providing raw materials API excipients, packaging materials, Indirect materials and Intermediate solvent to the company.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   No significant risks/concerns were observed from assessments of health and safety practices at the workplaces of value chain partners.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity:**

   The company follows the process of identification of stakeholders through interaction between various levels of management personnel, benchmarking with competitors and interaction with external stakeholders. The process was part of the materiality assessment conducted by the company during FY21-22 aligned with global reporting standards i.e. Global Reporting Initiative (GRI) , National Guidelines for Responsible Business Conduct (NGRBC).

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Patients	No	Website · Clinical studies · Pharmacovigilance	Need Basis	The company interacts with patients to understand their expectations and experience with the products. Also, the company engages with patients to conduct tests for clinical studies of pharmaceutical products.
Channel Partners	No	· Meetings · Field visits · Digital Communication	Need Basis	Channel partners play a vital role in business continuity by ensuring product accessibility across different geographies. The company interacts with them to formulate and strategize distribution of products and monitor the operations on a regular basis.
Suppliers	No	Meetings · Supplier audit · Facility visits	Need Basis	The company regularly communicates with the suppliers to ensure quality, safety and timely availability of input materials and other critical services to ensure continuity of business operations. The company conducts regular audit of the suppliers of critical materials and services to ensure that suppliers abide by the supplier code of conduct.
Healthcare Professionals	No	Meetings · Field visits	Need Basis	Healthcare professionals serve as key opinion leaders and provide important feedback to enable the company in understanding the market outlook, patients' feedback, their requirements and expectations from the. This also includes any adverse or negative feedback which can be detrimental to the patient health.
Government and Regulators	No	· Meetings · Conferences · Facility visits by Government / Regulatory officials · Official Communications · Statutory Publications	Need Basis	The company is a responsible law-abiding organization and ensures 100% compliance to all applicable regulations. With increased focus on issues pertaining to Environment, Social and Governance, the company regularly communicates with government representatives and regulatory bodies to have latest understanding of regulations which can impact the operations and stakeholders of the company.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Industry Associations	No	Industry Conferences · Representations on policy matters	Need Basis	The company interacts with Government / Regulatory Authorities on any public policy framework through apex industry institutions like Indian Pharmaceutical Alliance, Federation of Indian Chambers of Commerce & Industry (FICCI), The Indian Drug Manufacturers Association, Pharmexcil and Gujarat Chamber of Commerce & Industry (GCCI) etc. The company puts forth its views on new standards or regulatory developments pertaining to the pharmaceutical and healthcare manufacturing industry, broadly in the areas concerning access to medicines and other products, best practices, corporate governance, CSR etc.
Shareholders and Investors	No	· Meetings · Investor Conferences · AGM · Website	Quarterly/ need basis	The company interacts with its shareholders and investors to share regular update on its strategies, financial and operational performance, significant events and achievements, key risks and challenges and future roadmap for growth. With increased focus on ESG parameters, the company intends to include more parameters pertaining to ESG indicators during its interaction with investors.
Employees	No	Employee Engagement Survey, Emails, Calls, Grievance mechanism One-to-one connect	Need Basis	The company interacts with its employees to share performance and career development reviews and takes inputs and feedback from employees to create a healthy working environment. The company has an intranet portal for employees wherein all data pertaining to employment can be accessed and employees can also raise their queries and concerns for further action.
Communities	Yes	Visit to community sites, digital channels	Regularly	The company engages with the community by understanding and serving needs of the communities. Through its Section 8 wholly owned subsidiary company in the name of Zydus Foundation, the company has brought world-class medical education to the rural interiors of Gujarat by constructing and setting-up best in class medical college and hospital at Dahod. The company provides to all patients free of cost, consultation and treatment, including OPD, indoors, all investigations, surgeries, anesthesia, oral medicines, injectables and food. Along with this, the company engages with the community to sensitize them on various health issues by conducting various awareness camps.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers	No	Digital Platforms, Advertisements, Newspaper, Consumer feedback division to address queries and grievances, Website.	Continuous	Product quality and safety, information on products, consumer satisfaction and feedback, complaints and queries.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The company has various channels for discussion and feedback with its internal stakeholders before implementing any material and critical decision which impacts them. Also, the company reaches out and interacts with concerned external stakeholders to understand economic, environmental and social impact of company's operations on such stakeholders and take their feedback as well as suggestions. Such feedback and suggestions are taken up for due consideration and action.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the company has conducted an exercise to create materiality matrix to identify material issues with respect to environment, social and governance aspects which involved engagement with stakeholders As a result of this exercise, following topics were identified as having high importance, both for the company and for stakeholders:

   - Climate Change (Greenhouse Gas Emission)
   - Waste Management
   - Product Quality & Safety
   - Human Capital Welfare and Development
   - Access to healthcare
   - Responsible Marketing, Selling Practices & Product Labelling
   - Corporate Governance
   - R&D and Innovation

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The company engages with vulnerable and marginalized groups as a part of its CSR programme. The company continues to create healthier, happier communities globally. Zydus Srishti, the company's CSR programme focusses on the areas of access to healthcare, quality education, skill development, research and sustainable environment.

   For further details please refer Page No: 106 -110 of the Annual Report

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)**	% (D / C)**
Employees						
Permanent	21649	4745	22%	18518	4029	22%
Other than permanent	73	69	95%	56	56	100%
Total Employees	**21722**	**4814**	**22%**	**18574**	**4085**	**22%**
Workers						
Permanent	5272	1284	24%	4868	4023	83%
Other than permanent	2481	2381	96%	2286	2286	100%
Total Workers	**7753**	**3665**	**47%**	**7154**	**6309**	**88%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-2024 Current Financial Year					FY 2022-2023 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	21649	0	0%	21649	100%	19204	0	0%	19204	100%
Male	19840	0	0%	19840	100%	17475	0	0%	17475	100%
Female	1809	0	0%	1809	100%	1729	0	0%	1729	100%
Other than Permanent	73	0	0%	73	100%	36	0	0%	36	100%
Male	52	0	0%	52	100%	26	0	0%	26	100%
Female	21	0	0%	21	100%	10	0	0%	10	100%
Workers										
Permanent	5272	0	0%	5128	97.3%	4868	0	0%	4868	100%
Male	5046	0	0%	4945	98.0%	4699	0	0%	4699	100%
Female	226	0	0%	183	80.9%	169	0	0%	169	100%
Other than Permanent	2481	620	24.9%	1798	72.5%	2402	605	25.2%	1825	75.9%
Male	2317	456	20%	1798	77.6%	2199	402	18.3%	1797	82%
Female	164	164	100%	0	0%	203	203	100%	28	14%

3. a. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration / salary/ wages of respective category (₹)
Board of Directors (BoD)	8	40,00,00,000	1	3,50,00,000
Key Managerial Personnel	4	10,99,32,630	0	---
Employees other than BoD and KMP (Permanent Employees)	19,840	6,51,972	1809	6,26,396
Other than Permanent Employees	5,046	2,81,614	226	2,71,265
Workers				

3. b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-2024	FY 2022-2023
Gross wages paid to females as % of total wages	11.54%	12.60%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

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

The company believes that its business can develop in a society where human rights are protected and respected. The company is, therefore, committed to uphold human rights in all business activities and offer development opportunities and give positive feedback to employees thereby encouraging employees to utilize their potential to the fullest. The company also endeavours to provide fair compensation and good conditions of employment; exercise high standards of integrity in dealing with its employees and ensure legal compliance with applicable constitutional and regulatory requirements.

The company endeavours to avoid human rights abuse and resolve grievances of the affected stakeholders effectively and for that it has several mechanisms in place. Employees have the option to access zydus connect 2.0 to submit their grievances and complaints directly to group HR head. The company also has a detailed human rights policy and whistle-blower policies which are available on the website. Contact information of POSH (Prevention of Sexual Harassment) contact point is publicly displayed on the work places across the company. The details of human rights and whistle-blower policy can be found from following link : https://www.zyduslife.com/companypolicy

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

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0		01	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		1	0	
Other human rights related issues	0	0		0	0	

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

	FY 2023-2024	FY 2022-2023
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	02	01
Complaints on POSH as a % of female employees/ workers	0.09	0.06
Complaints on POSH upheld	02	01

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

The company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. It encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Committees have been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required. The company is committed to ensure that no employee who brings forward a sexual harassment concern is subject to any form of reprisal. Any reprisal will be subject to disciplinary action. The company ensures that the victim or witnesses are not victimized or discriminated against while dealing with complaints of sexual harassment. The company has mechanism to conduct mmandatory POSH trainings for employees with consequences that are well-defined within a very structured governance mechanism. Moreover, a copy of the POSH policy is provided to and signed off by all employees.

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

Yes

10. **Assessments for the year: –**

		% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%	I. The company has a strong and structured vigil mechanism in line with various governing policies and procedures.
Forced/involuntary labor	100%	II. The company, being a responsible law-abiding organization, ensures 100% compliance to all applicable laws and regulations.
Sexual harassment	100%	III. The company conducts internal audit/visit to various sites to ensure 100% adherence to laws pertaining to child labor, forced / involuntary labor, sexual harassment, discrimination at workplace and minimum wages.
Discrimination at workplace	100%	IV. Also, the company ensures zero tolerance to violation of any of the aforesaid issues.
Wages	100%	
Others – please specify		

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No significant concerns were identified.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

All the human rights complaints are taken seriously and handled confidentially. During FY2023-24 no complaint regarding human rights was reported.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

No such due diligence was conducted during FY2024.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	23%*
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

* The value chain partners comprise of vendors/suppliers providing raw materials APIs, intermediates, excipients, packaging materials and indirect materials to the company.

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   No such corrective actions have been identified pursuant to assessment of value chain partners.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter (In Gigajoules)	FY 2023-2024	FY 2022-2023
From renewable sources		
Total electricity consumption (A)	1,57,817.07	59,614.12
Total fuel consumption (B)	11,11,427.28	9,86,287.87
Energy consumption through other sources (C)	---	---
Total energy consumption (A+B+C)	12,69,244.35	10,45,901.99
From non-renewable sources		
Total electricity consumption (D)	11,61,209.09	10,82,358.57
Total fuel consumption (E)	7,93,408.27	7,89,404.44
Energy consumption through other sources (F)	---	
Total energy consumed from non-renewable resources (D+E+F)	19,54,617.36	18,71,763.01
Total energy consumed (A+B+C+D+E+F)	**32,23,861.70**	**29,17,665.00**
Energy intensity per rupee of turnover (Total energy consumption/revenue in ₹ million)	16.49	16.93
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations in million adjusted for PPP)	373.79	369.43
Energy intensity in terms of physical output		
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Calculation tool used: US Energy Information Administration and Central Electricity Authority (CEA).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) : Yes If yes, name of the external agency.: M/s Intertek India Private Limited

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not Applicable

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	7,63,713.78	7,53,626.53
(ii) Groundwater	9,20,609.63	9,33,885.00
(iii) Third party water	9,35,700.175	8,53,033.00
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**26,20,023.59**	**25,40,544.53**
Total volume of water consumption (in kilolitres)	**26,20,023.59**	**25,40,544.53**
Water intensity per rupee of turnover (Water consumed / turnover) (kl per million ₹ revenue)	13.40	14.74
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total water consumption / Revenue from operations in million adjusted for PPP)	300.16	326.79
Water intensity in terms of physical output		
Water intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) : Yes If yes, name of the external agency. : M/s Intertek India Private Limited

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	---	---
- No treatment	---	---
- With treatment – please specify level of Treatment	---	---
(ii) To Groundwater	---	---
- No treatment	---	---
- With treatment – please specify level of Treatment	---	---
(iii) To Seawater	---	---
- No treatment	---	---
- With treatment – please specify level of Treatment	---	---
(iv Sent to third-parties	---	---
- No treatment	---	---
- With treatment – please specify level of Treatment	Primary Treatment: 320,011 Tertiary Treatment: 150,392	Primary Treatment: 352,315 Tertiary Treatment: 143,362
(v) Others	Reuse in utility and gardening	Reuse in utility and gardening
- No treatment		
- With treatment – please specify level of Treatment	Tertiary Treatment: 809,324	Tertiary Treatment: 765,722
Total water discharged (in kilolitres)	**1,279,727**	**1,261,399**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) : Yes If yes, name of the external agency. : M/s Intertek India Private Limited

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

   - The company has taken proactive measures to implement Zero Liquid Discharge ("ZLD") across its operations. The manufacturing units are already equipped with reverse osmosis(ro) and ultra-filtration(UF) treatment, falling under this category. Alongside primary and secondary treatment, tertiary Effluent Treatment Plant (ETP) ensures further purification of wastewater generated within the company's premises. The treated water is utilized for non-process applications i.e. horticulture activity, road cleaning, toilet flushing, and green belt development which in turn reduces overall water consumption.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	MT	29.05	27.04
SOx	MT	47.15	37.81
Particulate matter (PM)	MT	42.46	43.71
Persistent organic pollutants (POP)	NA	---	---
Volatile organic compounds (VOC)	NA	---	---
Hazardous air pollutants (HAP) HCL (Ammonia)	---	---	---
Others – please specify	---	---	---

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	67,705.11	56,053.32
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	2,39,708.53	2,23,014.70
Total Scope 1 and Scope 2 Emissions	tCO_2e	3,07,413.65	2,79,068.02
Total Scope 1 and Scope 2 emissions (tCO_2e/ million ₹ revenue)	tCO_2e/million ₹ revenue	1.57	1.62
Total Scope 1 and Scope 2 emission intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		35.17	35.92
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	tCO_2e/₹	N.A.	N.A.

Calculation tools used are United State Environmental Protection Agency and Central Electrical Authority, Govt. of India.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) : Yes If yes, name of the external agency. : M/s Intertek India Private Limited

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

Sl. No.	Encon Measure	Electrical Energy Savings (MWh)	Fuel Savings (MT)	GHG Reduction (tCO2e)
1.	Reduction in GHG emissions by purchase of renewable energy	39,021		27,705
2.	Reduction in GHG emissions by generation of onsite solar energy	2038		1447
3.	Reduction in fuel consumption by improving boiler		624	1152
4.	Installation of heat pump to provide heat for water instead of using steam produced by consuming fuel to achieve savings in fuel consumption.		840	1552
	Total	**41,059**	**1,464**	**30,704**

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	2,435.98	2,970.55
E-waste **(B)**	32.35	45.97
Bio-medical waste **(C)**	487.27	420.00
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	22.68	58.93
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any. **(G)**	16,998.93	15,825.27
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	7,336.55	5,704.64
Total (A + B + C + D + E + F + G + H)	**27,313.77**	**25,025.38**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.14	0.15
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	3.14	3.33
Waste intensity in terms of physical output		
Waste intensity (optional) –the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	16,786.52	16,736.89
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**16,786.52**	**16,736.89**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Other Hazardous Waste		
(i) Incineration	1,159.18	604.19
(ii) Landfilling	3,755.64	3,959.53
(iii) Other disposal operations		
Co Processing	3,355.18	3,602.09
Pre Processing	1,134.66	16.00
Total	**9,404.67**	**8,181.91**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes , M/s Intertek India Private Limited

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Various waste management practices adopted by the company, which are in-line with the rules and regulations, are as under:

a) Plastic waste is taken back from the market under EPR liability by authorized vendor for recycling and energy recovery.

b) Hazardous waste is sent for safe disposal to authorized vendor for landfill, incineration and co-processing at cement kiln.

c) E Waste and Battery waste is sent to approved recycler for safe disposal.

d) Bio- Medical waste is sent for incineration to authorized vendor for safe disposal.

e) Non–Hazardous waste is sent to approved vendor for safe disposal.

The company has adopted following steps to reduce the use of toxic and hazardous chemicals in products and manage the subsequent waste:

a) Establishing a culture of sustainability across the labs and sensitizing the mindsets to ensure designing and development of new medicines in the most environmentally sustainable way possible.

b) Operating R&D functions on following sustainability parameters for existing and new products:

- Optimize water consumption
- Reduce wastewater generation,
- Reduce hazardous waste
- Continued working for 4R (Reduce, Reuse, Recycle, and Recover)

c) Continued working on yield improvement and ultimately reducing waste from the processes.

d) Reducing reliance on solvents during product development itself so that lesser quantities of solvents are required to be used at the time of scale up

e) Adherences to standard operating procedures (SOP) for segregation and disposal of waste

f) Disposal of waste through authorized Treatment, Storage and Disposal Facilities.

g) Disposal of waste as co-processing to cement industries as alternative fuel resources (AFR) to conserve natural resources.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	Zero	Zero	Entity operations /offices are not located around ecologically sensitive areas.

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
During the current FY 2023-24, the company has not initiated any projects for which such environmental impact assessment is required to be undertaken as per the applicable laws.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	The company is compliant with all applicable legal regulations.	Not Applicable.	Not Applicable.	

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

a. Vadodara (Padra) *

b. Ahmedabad – Corporate Office *

(ii) Nature of operations –API Operations at Padra and Administrative office premises at Ahmedabad

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	---	---
(ii) Groundwater	2,25,890	2,12,528
(iii) Third party water	---	---
(iv) Seawater / desalinated water	---	---
(v) Others	---	---
Total volume of water withdrawal (in kilolitres)	2,25,890	2,12,528
Total volume of water consumption (in kilolitres)	---	---
Water intensity per rupee of turnover (Water consumed / million ₹ turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity	---	---

* As per Central Ground Water Authority (CGWA), Govt. of India

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	---	---
- No treatment	---	---
- With treatment – please specify level of treatment	---	---
(ii) Into Groundwater	---	---
- No treatment	---	---
- With treatment – please specify level of treatment	---	---
(iii) Into Seawater	---	---
- No treatment	---	---
- With treatment – please specify level of treatment	Tertiary Treatment	Tertiary Treatment
(iv) Sent to third parties	---	---
- No treatment	---	---
- With treatment – please specify level of treatment	Tertiary Treatment 72,602	Tertiary Treatment 77,929
(v) Others	Reuse in utility and gardening	Reuse in utility and gardening
- No treatment		
- With treatment – please specify level of treatment	Tertiary Treatment: 0	Tertiary Treatment: 9,467.00
Total water discharged (in kilolitres)	**72,602.00**	**87,396.00**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent (tCO2e)	*24393	**25670
Total Scope 3 emissions per rupee of turnover	(tCO2e per million ₹ revenue)	0.23	0.29
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.	N.A.

*&**: ZLL Standalone emissions

Scope: 03 emissions accounted for the following categories as GHG protocol:

(a) Emissions from employee commute

(b) Emissions from business travel by the employees

The emissions are calculated as per the spend-based method from the GHG protocol.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Increase of renewable energy in the energy mix instead of grid grey energy	a) Generation of solar energy by installation solar plant. b) Utilisation of hybrid power(Wind & Solar) through open access by power purchase agreement. c) Replacement of coal with biomass briquet as primary fuel to generate steam in boiler.	a) Reduction in carbon footprint b) Energy security for future stringent rules on grey power
2	Reduce impact on effluent discharge and water conservation.	Air Handling Unit (AHU) condensate is collected in separate tank and is used for the gardening.	Reduction in consumption of freshwater and discharge of effluent.
3	Resource efficiency	ETP sludge is routed from landfill to cement industry for co-processing.	Eco-friendly disposal of waste.
4	Energy recovery	Installation of heat pump to cater high temperature requirements of water instead of using steam produced by fuel consumption to achieve savings in fuel consumption.	Reduction fuel consumption Reduction in carbon footprint
		Increase of co processing to recover the energy content from off specification and expired products to cement industry instead of incineration.	Disposal of waste in ecofriendly manner Creating energy value from waste
5	Extended Producer Responsibility for plastic packaging liability,	Plastic packaging is recycled and sent for energy recovery.	Sustainable disposal of the plastic packaging material.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the company has a business continuity and disaster recovery plan for all its locations to safeguard its resources in the event of any emergency or exigency. This business continuity plan enables the company to sustain and adapt in situations which arise from any natural calamity or manmade disaster or an unprecedented event which may disrupt the business operations. The company continuously reviews and modifies this plan by incorporating learnings and observations from disruptions faced in the unprecedented situations such as cyclone, flood, landslides, pandemic etc. The company's risk management plan aims at minimizing the impact of such disasters on the business operations by periodic assessment of probability and likely impact of such disasters and formulating appropriate mitigation plans for the same. The company has also taken a business interruption insurance policy to cover loss of profit which might arise because of business disruption caused by natural calamities.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Zero adverse impact during reporting year FY 2023-24

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact : 23%

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a) **Number of affiliations with trade and industry chambers/ associations.**

   The company is associated with fourteen trade and industry chambers/associations

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

S. no	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Pharmaceutical Alliance	National
2	Federation of Indian Chambers of Commerce and Industry ("FICCI"),	National
3	The Indian Drug Manufacturers Association	National
4	Indian Pharmacopeia Commission	National
5	Indian Pharmaceutical Association	National
6	The Confederation of Indian Industry	National
7	All India Food Processors' Association	National
8	Protein Foods and Nutrition Development Association of India.	National
9	International Market Assessment India Private (IMA)	National
10	Indian Beauty & Hygiene Association	National
11	Pharmexcil, Hyderabad	State
12	Gujarat Chamber of Commerce & Industry ("GCCI").	State
13	Ahmedabad Management Association	State
14	Indian Pharmaceutical Research & Innovation by UP govt.	State

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

   Not Applicable as there were no issues or any adverse order related to anti-competitive conduct by the company during the FY 2023-24.

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

S. no	Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify	Web Link, if available
The company engages with various stakeholders such as industry chambers, associations, governments, and regulators, to offer insights for the development and execution of public policies. This engagement, guided by principles of commitment, integrity, and transparency, prioritizes the interests of all stakeholders. The methods employed include participation in meetings, conferences, official communications, and engagement as needed.					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   During the current FY 2023-24, SIA was undertaken for CSR Project: Zydus Medical College and Hospital (ZMCH) in the aspirational district Dahod of Gujarat.

   The SIA was conducted by an independent agency, M/s SoulAce Consulting Pvt Ltd and the details of the assessment can be found from the following link : https://www.zyduslife.com/investor/admin/uploads/18/108/CSR-Impact-Assessment-Report.pdf

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

S. no	Name of project for which R&R is ongoing	State	District	No of Project Affected Families	% of PAF covered by RAR	Amount Paid to PAFs in the FY (in ₹)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community**

The company visits the nearby communities periodically to engage with them and redress their concerns and grievances. The company also uses digital tools to redress any concerns and grievances posted by members of community on social media. The company has a dedicated team to monitor online reputational management (ORM) efforts and to support them, the company has also subscribed to a social listening tool called Locobuzz. The team checks the tool 4 times a day to respond to any query that comes in. If required, the query is forwarded to the relevant department. On working days, the first response turnaround time (TAT) is under 05 hours and on weekends, it is up to 12 hours.

The company have mechanism to visit and interact with farmers at respective locations for the consumer wellness business to report their grievances and provide solution to improve the health and hygiene of their cattle. Also, farmer's helpline is started to resolve issues related to animals' health and feeding. The company also uses digital tools to redress any concerns and grievances posted by members of community on social media.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Directly sourced from MSMEs/ Small producers	*13.60%	*13.75%
Directly from within India	*78%	*74%

*The suppliers comprise of vendors/suppliers providing API excipients, raw materials, packaging materials, Indirect materials and Intermediate solvent to the company.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Location	FY 2023-2024	FY 2022-2023
Rural	8.18%	2.27%
Semi-urban	8.33%	25.07%
Urban	19.09%	14.47%
Metropolitan	64.41%	58.19%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. **Provide the following information on projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. no	State	Aspirational District	Amount spent (₹)
1	Gujarat	Dahod	8,14,60,000

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) -**

No

(b) From which marginalized /vulnerable groups do you procure?

N.A.

(c) What percentage of total procurement (by value) does it constitute?

N.A.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

No intellectual property was owned or acquired based on traditional knowledge during FY 2023-24.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

No adverse order in intellectual property related disputes was received wherein usage of traditional knowledge is involved. Hence, not applicable.

6. Details of beneficiaries of CSR Projects.

S. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Zydus Medical College and Hospital, Dahod	4,48,525	100%

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- The company has defined systems for receiving, recording, investigating and responding to the product quality complaints related to drug products, drug substances and saleable intermediates manufactured, marketed and/or distributed by it.

  a) Complaints may be received verbally, in written form, through electronic means like post, fax, e-mail, telephone or in-person, along with samples, photographs or other evidence depicting the defect.

  b) On receipt, the complaint is logged and acknowledged with the required additional information, if any, for further investigation.

  c) Nature of the complaint is assessed and bifurcated into the categories of critical, major and minor. Preliminary investigation is done as per applicable regulations.

  d) The investigation gets conducted in stipulated timeframe to identify the root cause along with the impact assessment, risk to product quality and patient safety and decide appropriate corrective actions and preventive actions (CAPA).

  e) The investigation is followed by immediate actions required to be taken which may include product recall, alert notification to the regulatory agency, suspension of manufacturing of the product etc.

  f) Response to the complaint is shared with the complainant and waiting time of 60 days is considered to get the feedback from the complainant before the closure of the complaint.

  g) The company also has established a global pharmacovigilance policy which showcases the company's commitment and efforts towards patient safety.

  h) For the consumer wellness arm of the company, customers can either write a letter to company's mailing address, or send an email to customercare@zyduswellness.com or call on customer care phone number 18001206868. Contact details are also available on the website of the Company.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

	As a percentage to total turnover
Environment and Social parameters relevant to product	100%: There are social parameters relevant to the responsible, safe and prescribed usage of the products.
Safe and responsible usage	100%
Recycling and/or safe disposal	All our products which are expired or damaged and cannot be consumed are taken back from trade and are audited and disposed off as per the guidelines enumerated in the internal policy and adhering to local laws and rules.

3. Number of consumer complaints

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0	0	0	0	---
Advertising	0	0	0	0	0	---
Cyber-security	0	0	0	0	0	
Delivery of essential services	0	0	0	0	0	---
Restrictive Trade Practices	0	0	0	0	0	
Unfair Trade Practices	0	0	0	0	0	---
Other-	1658	00		1339	0	

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

	Number	Reason for recall
Voluntary recalls	25	Market complaints – products out of specifications, regulatory recommendations
Forced recalls	01*	

01*: Forced recall in Spain

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the company has an internal cybersecurity policy which aims at:

- protecting and maintaining the confidentiality, integrity and availability of information,
- managing the risk of security exposure and compromise,
- assuring a secure and stable IT environment,
- identifying and responding to events involving information asset misuse, loss or unauthorized disclosures,
- monitoring systems for anomalies that might indicate compromise,
- promoting and increasing the awareness of information security.

Further, from a governance perspective, cyber risks are monitored and mitigated through the Risk Management framework implemented under Risk Management Policy, which is available on the website of the company at https://www.zyduslife.com/public/pdf/companypolicy/Risk-Management-Policy.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**
   - The products recalls made during FY24 has not resulted to any regulatory action against the company.
   - The relevant recalls were investigated in detail identification of root cause and appropriate CAPAs were taken based on findings to prevent the recurrence of such event.
   - To ensure cyber security, a comprehensive endpoint security solution has been implemented for better protection of data on end point devices.
   - The comprehensive cyber security assessment is under process for understanding the gaps in the current information technology (IT) landscape from the cyber security perspective.

7. **Provide the following information relating to data breaches:**
   a. Number of instances of data breaches along-with impact - Nil
   b. Percentage of data breaches involving personally identifiable information of customers – Nil
   c. Impact, if any,of the breaches: Nil

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The information on products and services of the company can be found on the following link https://www.zyduslife.com/products; www.zyduswellness.com; www.sugarfree-india.com, www.everyuth.com, www.complanforgrowth.com, www.nutralite.com.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The products carry a detailed information leaflet / labelling regarding the safe use of the product. For the consumer wellness business, the company also enable consumers to make better choices by imparting information to consumers through several media channels, social campaigns and provide free trials of new products through different platforms.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**
   - In view of the presence of other brands and companies with similar products in the pharmaceutical sector, it is very unlikely that the discontinuation of any of the products will cause disruption or discontinuation of essential services to the larger community.
   - Also, as per the guidelines of National Pharmaceutical Pricing Authority, the company discloses discontinuation of any scheduled formulation by issuing a public notice for relevant stakeholders in addition to informing the Government at least six months prior to the intended date of discontinuation.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief.**

   No .

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   The marketing team of the company regularly interacts with the consumers, and healthcare professionals and takes their feedback on the products for further improvement, if required.

intertek assuris
Science Based Assurance in Quality, Safety & Sustainability.

Independent Reasonable Assurance Statement to Zydus Lifesciences Limited on their Business Responsibility & Sustainability Report (BRSR) FY2023-24-Core Disclosures.

To the Management of Zydus Lifesciences Ltd., Ahmedabad, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by Zydus Lifesciences Limited ("ZLL") to provide an independent reasonable assurance on its consolidated BRSR (Business Responsibility & Sustainability Report) core disclosures for FY2023-24 as part of their Annual Report ("the Report"). The scope of the Report comprises the reporting periods of FY2023-24. The Report is prepared by ZLL based on SEBI's (Securities and Exchange Board of India) BRSR guidelines. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this reasonable assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the sustainability related disclosures in alignment with BRSR requirements, as declared in the Report, were not accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the Annual Report of Zydus Lifesciences Limited.

Responsibilities

The management of ZLL is solely responsible for the development of the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of ZLL, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The assurance has been provided for selected sustainability performance disclosures as per BRSR core disclosures with reference to SEBI's "BRSR Core - Framework for assurance and ESG disclosures for value chain" vide circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023, presented by ZLL in its Report. The assurance boundary included data and information of 35 Plants, R& D Centers and site offices including Corporate Office in Ahmedabad. Our scope of assurance included verification of internal control systems, data and information on core disclosures reported as summarized in the table below:

BRSR-Core Disclosures

- Total scope 1 and scope 2 emissions
- GHG emissions intensity (scope 1 and 2).
- Water consumption, water consumption Intensity and water discharge by destination and levels of treatment
- Total energy consumed, percentage of energy consumed from renewable sources and energy intensity
- Waste Generation (category wise), Disposal, Recovered, Disposed and Intensity
- Cost incurred on well-being measures of employees and workers as a percentage of total revenue of the company.
- Safety related incidents for employees and workers (LTIFR + Fatality + Permanent Disabilities) including contractual workforce.
- Gross wages paid to females as percentage of total wages paid.
- Complaints on POSH
- Input material sourced (from MSMEs/ small producers and from within India)
- Enabling inclusive development (Job creation in smaller towns and wages paid)
- Instances involving loss / breach of data of customers and Number of days of accounts payable.
- Concentration of purchases & sales done with trading houses, dealers, and related parties. Also loans and advances & investments with related parties.

Assurance Criteria

Intertek conducted the assurance work in accordance with requirements of 'Reasonable Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement

A reasonable assurance engagement involved assessing the risks of material misstatement of the agreed indicators/parameters whether due to fraud or error, responding to the assessed risks as necesaary in the circumtances. A materiality threshold level of 5% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

Limitations

We have relied on the information, documents, records, data, and explanations provided to us by ZLL for the purpose of our review.

The assurance scope excludes:

- Any disclosures beyond those specified in the Scope section above.
- Data and information falling outside the defined reporting period.
- Data pertaining to the Company's financial performance, strategy, and associated linkages articulated in the Report.
- Assertions made by the Company encompassing expressions of opinion, belief, aspiration, expectation, forward-looking statements, and claims related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within software/IT systems.

Methodology

Intertek performed assurance work using risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a reasonable level of assurance. The assurance was conducted by desk reviews, visit to ZLL's manufacturing site in Vadodara and Moraiya in Ahmedabad and stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2024. Our assurance task was planned and carried out during June-July 2024. The assessment included the following:

- Review of the Report that was prepared in accordance with the SEBI's BRSR guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available at selected ZLL's operational sites and digitally.
- Conducted physical interviews with key personnel responsible for data management at selected ZLL's sites in Vadodara and Ahmedabad.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by ZLL for data analysis.
- Review of BRSR core disclosures for the duration from 1st April 2023 to 31st March of 2024 for ZLL was carried out onsite at selected business locations.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details would be provided in a separate management report.

Conclusions

Intertek reviewed BRSR core disclosures provided by ZLL in its consolidated Business Responsibility and Sustainability Report (BRSR). Based on the procedures performed as above, evidences obtained and the information and explanations given to us along with the representation provided by the management and subject to inherent limitations outlined elsewhere in this report, in our opinion, ZLL's data and information on BRSR core disclosures for the period of 01 April 2023 to 31 March 2024 included in the Report, is, in all material respects, in accordance with the SEBI's BRSR guidelines.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.

Sumit

Sumit Chowdhury, Verifier
Sr. Manager-Sustainability

Elizabeth Mielbrecht

Elizabeth Mielbrecht, Reviewer
Project Director

8th July 2024

No member of the verification team (stated above) has a business relationship with Zydus Lifesciences Ltd. stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

INDEPENDENT AUDITOR'S REPORT

To The Members of **Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited)**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Zydus Lifesciences Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 which are incorporated the Returns of the branch located at Philippines audited by branch auditor.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the branch auditor on separate financial statements of the branch referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditor in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Assessment of impairment of non-current investments in equity shares / common stock of and unsecured loans given to certain subsidiaries namely, Zydus International Private Limited (ZIPL) and Zydus Worldwide DMCC (ZWDMCC) having aggregate carrying values of ₹ 6,148 million and ₹ 22,452 million respectively as at March 31, 2024, in the standalone financial statements and also unsecured loans of ₹ 10,926 million given by certain subsidiaries to ZIPL and subsidiaries of ZWDMCC where the Company would have indirect exposure by way of investment in such other subsidiaries. (refer Notes 2{(19)(A)(b)(v)}, 4, 5 and 13 to the standalone financial statements) As at March 31, 2024, the net worth of these two subsidiary groups, have been substantially eroded. The Company has accordingly tested the carrying value of investments in and loans to these subsidiary groups for impairment. The Company's evaluation of impairment of its investments in and expected credit loss of the loans given involves comparison of their recoverable amounts to their corresponding carrying amounts. The recoverable amounts is determined based on value in use, which represents the present value of the estimated future cash flows expected to arise from the use of the asset group comprising each cash generating unit. There is a risk that the aforesaid assets will be impaired if these cash flows do not meet the Company's expectations. In addition to significance of the amounts involved, management's assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the forecasted cash flows, principally relating to long-term revenue growth rates, perpetual growth rate and the discount rate used. Considering the materiality of the amounts involved together with the inherent subjectivity related to principal assumptions and probability of defaults by the said entities in fulfilling their contractual obligations, investments and loans in these two subsidiary groups have been considered as a key audit matter.	The audit procedures performed by us included the following: • Evaluated the design and tested the operating effectiveness of the internal controls relating to review of impairment assessment process, including those over the forecast of future revenues growth rate, terminal values and the selection of the appropriate discount rate. • Evaluated the reasonableness of the key estimates by comparing the forecasts to historical revenues, growth rate etc. • With the assistance of our internal fair value specialists, evaluated the reasonableness of the valuation methodology, discount rate and perpetual growth rate used in the computation of value-in use assessment. • Performed sensitivity analysis around the key estimates to ascertain the extent of change in those assumptions that either individually or collectively would be required for the investments and loans tested to be impaired. • Tested the mathematical and clerical accuracy of the model to conclude that the model is accurately calculating the value in use, using the appropriate methodology.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility and Sustainability Report, Board's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and it's branch to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity and its business activities included in the standalone financial statements of which we are the independent auditors. For the other entity and its business activities included in the standalone financial statements, which have been audited by the branch auditor, such branch auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the branch included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 10 million as at December 31, 2023, and total revenue of ₹ 0.01 million for the year ended on that date, as considered in the standalone financial statements. The financial statements of this branch have been audited by the branch auditor whose report has been furnished to us. The reporting date of the branch at December 31, 2023 is different from the reporting date of the Company. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Company, accordingly, no adjustments have been made by the Management of the Company in respect of financial information of the branch for the periods from January 1, 2023 to March 31, 2023 and January 1, 2024 to March 31, 2024. Our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the branch auditor on the separate financial statements of the branch, referred to in the Other Matters section above, we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not complying with the requirement of audit trail as stated in (j)(vi) below.

   c) The reports on the accounts of the branch office of the Company audited under Section 143(8) of the Act by the branch auditor have been sent to us and have been properly dealt with by us in preparing this report.

   d) 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.

   e) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   g) The modification relating to the maintenance of accounts and other matter connected therewith, is as stated in paragraph (b) above.

   h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   i) 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.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in 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 Note 49(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in Note 29 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled at the database level to log any direct data change (refer note 49(c) to the standalone financial statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 24106189BKFGUW6288)

Place: Muscat, Oman
Date: May 17, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Zydus Lifesciences Limited ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 24106189BKFGUW6288)

Place: Muscat, Oman
Date: May 17, 2024

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 the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (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) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable 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 are held in the name of the Company as at the balance sheet date.

(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) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 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 according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end, where not received, confirmations have been obtained from the custodian. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us including the revised submission made by the Company based on closure of the books of accounts at year end, the revised quarterly returns and statements comprising stock statements, book debt statements and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has made investments in, provided guarantee and granted loans, secured or unsecured, to companies during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

		Loans (₹ In million)
A.	**Aggregate amount granted / provided during the year:**	
	- Subsidiaries (wholly owned)	828#
B.	**Balance outstanding as at balance sheet date in respect of above cases:**	
	- Subsidiaries (wholly owned)	37,454

The Company has not provided any advances in the nature of loans or guarantee or security to any other entity during the year.

Excluding loans renewed or extended during the year dealt with in Clause (iii)(e) below.

(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, prima facie, 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 by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) During the year, loans aggregating ₹ 30,981 million fell due from certain subsidiaries and have been renewed or extended, details of which are as follows:

Name of the party	Aggregate amount of existing loans renewed or extended (₹ In million)	Percentage of the aggregate to the total loans granted during the year
Zydus Pharmaceuticals USA Inc	10,839	34%
Zydus International Private Limited, Ireland	11,994	38%
Zydus Worldwide DMCC, Dubai	6,895	22%
Sentynl Therapeutics Inc	1,251	4%
Dial for health Unity Limited	2	0.01%

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any 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) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(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) (a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, 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, 2024 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, 2024 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (₹ In million)	Unpaid Amount (₹ In million)
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2011-12, 2021-22 and 2022-23	209.05	184.74
		Commissioner of Income Tax (Appeals)	AY 2011-12, 2014-15 and 2016-17 to 2018-19	58.36	28.66
		Income Tax Appellate Tribunal	AY 2016-17	17.25	-
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2007-08 to 2015-16	96.30	92.13
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2004-05 to 2017-18	306.79	293.17
		Appellate Authority upto Commissioner's level	2005-06 to 2010-11 & 2013-14 to 2016-17	23.82	21.65
Central Goods & Service Tax Act, 2017	Central Goods & Service Tax	Commissioner (Appeal)	2017-18 to 2020-21	47.88	24.47
		Hon'ble High Court of Gujarat	2017-18	163.72	158.46
Customs Act, 1962	Custom Duty	Customs, Excise and Service Tax Appellate Tribunal	2017-18 to 2019-20	92.95	88.09
Sales Tax Act and VAT Laws	Value Added Tax	Tribunal	2012-13 to 2014-15 and 2016-17 to 2017-18	19.75	16.65
		Appellate Authority upto Commissioner's level	2010-11 and 2017-18	4.36	4.36
	Sales Tax	Appellate Authority upto Commissioner's level	2005-06 to 2007-08	0.01	0.01
	Central Sales Tax	Tribunal	2012-13 & 2013-14	0.12	0.11
		Appellate Authority upto Commissioner's level	2002-03, 2008-09 to 2009-10, 2011-12 to 2012-13	4.21	2.85

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (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 upto 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 and upto the date of this report.

(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 upto December 2023 and the draft of the internal audit report was issued after the balance sheet date covering the period January 1, 2024 to March 31, 2024 for the period under audit.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of it's subsidiaries and joint ventures or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) 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 upto 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 amounts 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)

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 24106189BKFGUW6288)

Place: Muscat, Oman
Date: May 17, 2024

Balance Sheet as at March 31, 2024

₹ in Million

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 [A]	43,257	41,418
Capital work-in-progress	3 [D]	6,267	7,393
Goodwill	3 [B]	-	-
Other Intangible Assets	3 [B]	437	423
Intangible Assets under Development	3 [E]	72	-
Financial Assets:			
Investments	4	72,830	46,777
Loans	5	36,406	31,658
Other Financial Assets	6	144	4,459
Other Non-Current Assets	7	1,408	1,339
Assets for Current Tax [Net]	8	669	587
		161,490	**134,054**
Current Assets:			
Inventories	9	16,873	17,824
Financial Assets:			
Investments	10	-	2,016
Trade Receivables	11	47,401	35,053
Cash and Cash Equivalents	12 [A]	1,081	2,404
Bank Balances other than Cash and Cash Equivalents	12 [B]	3,063	77
Loans	13	1,048	8,170
Other Current Financial Assets	14	5,973	1,815
Other Current Assets	15	3,674	4,223
		79,113	**71,582**
Assets classified as held for sale	52	245	-
Total		**240,848**	**205,636**
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	16	1,006	1,012
Other Equity	17	156,159	135,382
		157,165	**136,394**
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	18	55,554	37,710
Lease Liabilities	47	35	26
Other Financial Liabilities	19	246	191
Provisions	20	1,851	1,471
Deferred Tax Liabilities [Net]	21	583	1,943
		58,269	**41,341**
Current Liabilities:			
Financial Liabilities:			
Borrowings	22	6,181	10,515
Lease Liabilities	47	13	2
Trade Payables:			
Dues to Micro and Small Enterprises	23	161	128
Dues to other than Micro and Small Enterprises	23	10,957	10,304
Other Financial Liabilities	24	4,420	3,603
Other Current Liabilities	25	1,154	1,358
Provisions	26	1,054	914
Current Tax Liabilities [Net]	27	1,474	1,077
		25,414	**27,901**
Total		**240,848**	**205,636**
Material Accounting Policies	2		
Notes to the Financial Statements	3 to 53		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Muscat, Oman
May 17, 2024

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Muscat, Oman
May 17, 2024

Statement of Profit and Loss for the year ended March 31, 2024

₹ in Million

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
INCOME:			
Revenue from Operations	30	108,187	87,316
Other Income	31	10,848	5,484
Total Income		**119,035**	**92,800**
EXPENSES:			
Cost of Materials Consumed	32	30,014	27,035
Purchases of Stock-in-Trade	33	2,832	3,627
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	34	(1,317)	1,051
Employee Benefits Expense	35	15,075	13,219
Finance Costs	36	3,907	2,782
Depreciation and Amortisation Expense	3 (C)	5,044	4,886
Other Expenses	37	21,743	20,575
Net (Gain) on foreign currency transactions		(747)	(2,735)
Total Expenses		**76,551**	**70,440**
Profit before Exceptional Items and Tax		**42,484**	**22,360**
Less: Exceptional Items	46	86	2,038
Profit before Tax		**42,398**	**20,322**
Less: Tax Expense:			
Current Tax	38	9,343	4,618
Deferred Tax	38	(1,360)	412
		7,983	**5,030**
Profit for the year		**34,415**	**15,292**
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement (losses)/ gains on post employment defined benefit plans		(234)	23
Income tax effect on above		51	(5)
		(183)	**18**
Net (Loss) on Fair Value through OCI (FVTOCI) Equity Securities		(139)	(159)
Income tax effect on above		-	-
		(139)	**(159)**
Other Comprehensive Loss for the year (Net of Tax)		**(322)**	**(141)**
Total Comprehensive Income for the year (Net of Tax)		**34,093**	**15,151**
Basic & Diluted Earnings per Equity Share (EPS) (in Rupees)	39	34.01	15.06
Material Accounting Policies	2		
Notes to the Financial Statements	3 to 53		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Muscat, Oman
May 17, 2024

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Muscat, Oman
May 17, 2024

Statement of Changes in Equity for the year ended March 31, 2024

a Equity Share Capital:

	No. of Shares	₹ in Million
Equity Shares of ₹ 1/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2022	1,023,742,600	1,024
Less: Extinguished pursuant to buyback of shares	(11,538,461)	(12)
As at March 31, 2023	**1,012,204,139**	**1,012**
Less: Extinguished pursuant to buyback of shares	(5,970,149)	(6)
As at March 31, 2024	**1,006,233,990**	**1,006**

b Other Equity:

₹ in Million

	Reserves and Surplus					Items of OCI	Total
	Capital Reserve	Capital Redemption Reserve	International Business Development Reserve	General Reserve	Retained Earnings	FVTOCI Reserve	
As at March 31, 2022	20,379	-	2,000	15,525	92,894	583	131,381
Add: Profit for the year	-	-	-	-	15,292	-	15,292
Add: Other Comprehensive Income	-	-	-	-	18	(159)	(141)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**15,310**	**(159)**	**15,151**
Transfer pursuant to buyback of shares	-	12	-	(12)	-	-	-
Transactions with Owners in their capacity as owners:							
Less: Dividends	-	-	-	-	(2,530)	-	(2,530)
Less: Utilised for buyback of shares	-	-	-	(7,488)	-	-	(7,488)
Less: Tax and other payments (transaction costs) on buyback of shares (Transactions with other than Owners)	-	-	-	(1,132)	-	-	(1,132)
As at March 31, 2023	**20,379**	**12**	**2,000**	**6,893**	**105,674**	**424**	**135,382**
Add: Profit for the year	-	-	-	-	34,415	-	34,415
Add: Other Comprehensive Income	-	-	-	-	(183)	(139)	(322)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**34,232**	**(139)**	**34,093**
Add: Adjusted pursuant to Business Transfer Agreement (BTA) (Note-51)	1	-	-	-	-	-	1
Transfer pursuant to buyback of shares	-	6	-	(6)	-	-	-
Transactions with Owners in their capacity as owners:							
Less: Dividends	-	-	-	-	(6,073)	-	(6,073)
Less: Utilised for buyback of shares	-	-	-	(5,684)	-	-	(5,684)
Less: Tax and other payments (transaction costs) on buyback of shares (Transactions with other than Owners)	-	-	-	(1,203)	(357)	-	(1,560)
As at March 31, 2024	**20,380**	**18**	**2,000**	**-**	**133,476**	**285**	**156,159**

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board
Pankaj R. Patel
Chairman
DIN: 00131852

Kartikeya Raval
Partner

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Muscat, Oman
May 17, 2024

Muscat, Oman
May 17, 2024

Cash Flow Statement for the year ended March 31, 2024

₹ in Million

	Particulars	Year ended March 31, 2024		Year ended March 31, 2023
A	**Cash flows from operating activities:**			
	Profit before tax		42,398	20,322
	Adjustments for:			
	Depreciation and Amortisation expense	5,044		4,886
	Exceptional Items	86		2,038
	Net (Gain) on disposal of Property, Plant and Equipment	(136)		(810)
	FVTPL gain/ profit on sale of investments (Net)	(142)		(142)
	Interest income	(3,221)		(1,531)
	Gain on valuation of Forward Contract value related to investment in a Joint Venture	(976)		(113)
	Dividend income	(6,023)		(2,401)
	Interest expenses	3,882		2,515
	Effect of foreign exchange movement	(566)		473
	Expected credit loss on trade receivables (Net)	184		1
	Doubtful advances written off	-		20
	Allowance for doubtful advances (Net of written back)	22		(2)
	Provision for employee benefits	216		(89)
	Other provisions	70		(94)
	Total		**(1,560)**	**4,751**
	Operating profit before working capital changes		**40,838**	**25,073**
	Adjustments for:			
	(Increase) in trade receivables	(12,551)		(12,132)
	Decrease in inventories	951		1,439
	(Increase) in other assets	(1,066)		(13)
	Increase/ (Decrease) in trade payables	909		(333)
	(Decrease)/ Increase in other liabilities	(113)		680
	Total		**(11,870)**	**(10,359)**
	Cash generated from operations		**28,968**	**14,714**
	Direct taxes paid (Net of refunds)		(8,977)	(3,932)
	Net cash from operating activities		**19,991**	**10,782**
B	**Cash flows from investing activities:**			
	Purchase of property, plant and equipment and intangible assets	(5,842)		(7,501)
	Proceeds from sale of property, plant and equipment and intangible assets	188		921
	Purchase of non current investments in subsidiaries	(26,707)		-
	Purchase of non current investments - other than subsidiaries	-		(100)
	Proceeds from disposal of non current investments in a subsidiary	182		-
	Proceeds from sale/ redemption of non current investments in others	-		25
	Bank balances (including fixed deposits) not considered as cash and cash equivalents (Net)	(487)		(2,496)
	Investments in liquid mutual funds (Net)	2,158		331
	Loans to subsidiaries	(828)		(23,148)
	Repayment of loans by subsidiaries	4,056		9,134
	Interest received	2,951		840
	Dividend received	6,023		2,401
	Net cash (used in) investing activities		**(18,306)**	**(19,593)**

Cash Flow Statement for the year ended March 31, 2024

₹ in Million

Particulars		Year ended March 31, 2024		Year ended March 31, 2023
C	**Cash flows from financing activities:**			
	Proceeds from non current borrowings	20,625		39,262
	Repayment of non current borrowings	(3,608)		(7,460)
	Buyback of equity shares (including tax and transaction costs)	(7,250)		(8,632)
	Current borrowings (Net - (repayment))	(3,523)		(10,934)
	Lease liabilities (Net)	14		4
	Interest paid	(3,191)		(1,435)
	Dividends paid	(6,075)		(2,535)
	Net cash (used in)/ from financing activities		**(3,008)**	**8,270**
	Net (decrease) in cash and cash equivalents		(1,323)	(541)
	Cash and cash equivalents at the beginning of the year		2,404	2,945
	Cash and cash equivalents at the end of the year		**1,081**	**2,404**

Notes to the Cash Flow Statement

1 The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".

2 All figures in brackets are outflows.

3 Summary of Cash and cash equivalents, Bank balance, Liquid Mutual funds and Fixed Deposits more than 12 months:

₹ in Million

		As at March 31		
		2024	**2023**	**2022**
a	Cash and cash equivalents	1,081	2,404	2,945
b	Bank balance other than cash and cash equivalents	3,063	77	81
c	Investment in Liquid Mutual Funds	-	2,016	2,205
d	Fixed Deposits more than 12 month's maturity	1	2,500	-
e	**Total**	**4,145**	**6,997**	**5,231**

4 **Change in liability arising from financing activities:**

₹ in Million

	Borrowings		
	Non-Current (Note-18)	**Current (Note-22)**	**Total**
As at March 31, 2022	6,319	20,307	26,626
Cash flow	31,802	(10,934)	20,868
Foreign exchange movement	411	320	731
As at March 31, 2023	**38,532**	**9,693**	**48,225**
Cash flow	17,017	(3,523)	13,494
Foreign exchange movement	5	11	16
As at March 31, 2024	**55,554**	**6,181**	**61,735**

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Muscat, Oman
May 17, 2024

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Muscat, Oman
May 17, 2024

Notes to the Financial Statements

Note: 1-Company overview:

Zydus Lifesciences Limited ("the **Company**") (CIN : L24230GJ1995PLC025878), a Company limited by shares, incorporated and domiciled in India, operates as an integrated pharmaceutical company with business encompassing the entire value chain in the research, development, production, marketing and distribution of pharmaceutical products. The product portfolio of the Company includes Active Pharmaceutical Ingredients (API) and human formulations. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited. The registered office of the Company is located at "Zydus Corporate Park", Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Ahmedabad - 382481. These financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 17, 2024.

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 are in compliance with the Indian Accounting Standards (Ind AS) notified under the Companies (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

iv Contingent consideration

2 **Use of Estimates:**

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 future events, which may impact their lives, such as changes in technology. Refer Note-2 (7).

B **Impairment of property, plant and equipment, goodwill and investments:**

Significant judgments are involved in determining the estimated future cash flows from the Investments, Property, Plant and Equipment and Goodwill to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials. Refer Note-4.

C **Employee benefits:**

Actuarial valuation involves key assumptions of life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans. Refer Note-20.

Notes to the Financial Statements

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.

E Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Refer Note-38.

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.

3 Foreign Currency Transactions:

The Company's financial statements are presented in Indian Rupees (₹), which is the functional and presentation currency.

A The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.

B Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss. However, foreign currency differences arising from the translation of certain equity instruments where the Company had made an irrevocable election to present in OCI subsequent changes in the fair value are recognised in OCI.

C Foreign exchange differences regarded as adjustments to borrowing costs are presented in the Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

D Investments in foreign subsidiaries and other companies are recorded in ₹ (functional currency) at the rates of exchange prevailing at the time when the investments were made.

4 Revenue Recognition:

A The following are the accounting policies related to revenue recognition under Ind AS 115:

a Sale of Goods:

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer.

The goods are often sold with volume discounts/ pricing incentives and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts, net of discounts, sales tax/ Goods and Services Tax (GST). When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

b License Fees:

License fees primarily consist of income from the outlicensing of intellectual property and other licensing and supply arrangements with various parties. Revenue from license fees is recognised when control transfers to the third party and the Company's performance obligations are satisfied. Some of these arrangements include certain performance obligations by the Company. Revenue from such arrangements is recognised in the period in which the Company completes all its performance obligations.

c Royalty income:

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Notes to the Financial Statements

Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

d Service Income:

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of indirect taxes, wherever applicable.

B The specific recognition criteria described below must also be met before revenue is recognised:

a Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR).

EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

b Dividend:

Dividend income is recognised when the Company's right to receive the payment is established.

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. However, in accordance with the exemption as per Ind AS 101, for such loans that existed on April 1 2015, the Company uses the previous GAAP carrying amount of the loan at the date of transition as the carrying amount of the loan.

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.

Notes to the Financial Statements

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

e Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

f Deferred tax items are recognised in co-relation to the underlying transaction either in profit or loss, OCI or directly in equity.

g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

7 Property, Plant and Equipment:

A Freehold land is carried at historical cost, less impairment, if any. All other items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost (Net of Input tax credit received/ receivable) includes related expenditure and pre-operative & 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. Effective from April 1, 2007, the foreign exchange loss or gain arising on long term foreign currency monetary items that existed in the financial statements for the period ended on March 31, 2016, attributable to Property, Plant and Equipment is adjusted to the cost of respective Property, Plant and Equipment. 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.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the 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 ₹ 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

Notes to the Financial Statements

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

D Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life of four years as estimated by the management at the time of capitalisation.

E Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

F An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

G Intangible assets under development is stated at cost less accumulated impairment loss, if any.

9 Research and Development Cost:

A Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.

B Capital expenditure on research and development 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 EIR method.

Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

B Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

11 Impairment of Non Financial Assets:

The Property, Plant and Equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

Non-financial assets other than Goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

12 Inventories:

Inventories are valued at the lower of cost and net realisable value.

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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 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

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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.

16 Provision for Product Expiry Claims:

Provisions for product expiry related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of product expiry claim related costs is revised annually.

17 Employee Benefits:

A Short term obligations:

Liabilities for wages and salaries, including earned leave and sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

B Long term employee benefits obligations:

a Leave Wages and Sick Leave:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months period after the end of the period in which the employees render the related service. They are therefore, measured at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method as determined by actuarial valuation, performed by an independent actuary. The benefits are discounted using the market yields at the end of reporting period that have the terms approximating to the terms of the related obligation. Gains and losses through re-measurements are recognised in Statement of profit and loss.

b Defined Benefit Plans:

i Gratuity:

The Company operates a defined benefit gratuity plan with contributions to be made to a separately administered fund through Life Insurance Corporation of India through Employees Group Gratuity Plan. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the statement of Profit and Loss.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the Statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

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i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and

ii Net interest expense or income.

ii Company administered Provident Fund:

In case of a specified class of employees, monthly contributions of such employees and the company, are deposited to Cadila Healthcare Limited Employees' Provident Fund Trust. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Contributions to such provident fund are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

c Defined Contribution Plans - Provident Fund Contribution:

Employees of the Company, other than covered in point (ii) above, receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The company has no further obligation to the plan beyond their monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

C Employee Separation Costs:

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

18 Dividends :

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

19 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A Financial Assets:

a Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the Company settles to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in five categories:

i Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii Debt instruments at fair value through other comprehensive income (FVTOCI):

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objectives of both collecting contractual cash flows and selling the financial assets

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- 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 joint ventures:

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the differences between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amounts as their deemed costs on the date of transition to Ind AS i.e., April 1, 2015.

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

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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.

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.

B Financial Liabilities:

a Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured at amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

d Embedded derivatives:

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-

Notes to the Financial Statements

derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

C Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

20 Derivative Financial Instruments and Hedge Accounting:

Derivatives are recognised initially at fair value and subsequently at fair value through profit and loss.

Fair value hedges:

The Company applies fair value hedge accounting for changes in fair value of trade receivables (non-derivative financial assets) attributable to foreign currency risk. The Company designates certain derivate as well as non-derivative foreign currency financial liabilities (hedging instrument) to hedge the risks of changes in fair value of trade receivables attributable to the movement in foreign exchange rates. The Company documents, at the time of designation, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking such hedging transactions. The Company also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the risk management objectives are met with the hedging relationship. Changes in fair values of both hedging instruments and hedged items are recognised in foreign exchange gains / losses as a part of other income or other expenses as the case may be. If the hedge no longer meets the criteria for hedge accounting, this accounting treatment is discontinued.

21 Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a In the principal market for the asset or liability, or

b In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised

Notes to the Financial Statements

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.

22 Business combinations and Goodwill:

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

B At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements acquired in a business combination are recognised and measured in accordance with Ind AS-12 "Income Tax" and Ind AS-19 "Employee Benefits" respectively.

C When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

D Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS-109 "Financial Instruments", is measured at fair value with changes in fair value recognised in Statement of profit and loss. If the contingent consideration is not within the scope of Ind AS-109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequently its settlement is accounted for within equity.

E Goodwill is initially measured at the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as Capital Reserve, without routing the same through OCI.

F After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value less any accumulated impairment.

For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

G A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of profit and loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.

H If the initial accounting for a business combination is incomplete by the end of the reporting period in

Notes to the Financial Statements

which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through Goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

I Wherever any business combination is governed by the Scheme approved by the Hon'ble High Court/ National Company Law Tribunal (NCLT), the business combination is accounted for as per the accounting treatment sanctioned in the Scheme. Goodwill arising on such business combination is amortised over the period, as provided in the Scheme approved by the Hon'ble High Court or NCLT.

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 standard or amendments to the existing standards. For the year ended March 31, 2024, there are no new standards or amendments to the existing standards which are notified but not yet effective.

Notes to the Financial Statements

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

(A) Property, Plant and Equipment:

₹ in Million

	Freehold Land	Leasehold Land *	Buildings*	Plant And Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Total
Gross Block:								
As At March 31, 2022	**2,211**	**465**	**14,394**	**54,666**	**1,549**	**729**	**1,102**	**75,116**
Additions	522	43	151	2,379	16	119	62	3,292
Disposals	-	(28)	(22)	(207)	-	(81)	(1)	(339)
As At March 31, 2023	**2,733**	**480**	**14,523**	**56,838**	**1,565**	**767**	**1,163**	**78,069**
Acquired Under BTA [S]	-	20	373	68	4	-	3	468
Additions	44	11	931	4,949	46	224	84	6,289
Disposals	-	-	-	(101)	-	(72)	-	(173)
As At March 31, 2024	**2,777**	**511**	**15,827**	**61,754**	**1,615**	**919**	**1,250**	**84,653**
Depreciation and Impairment:								
As At March 31, 2022	**-**	**61**	**3,047**	**27,146**	**754**	**425**	**717**	**32,150**
Depreciation For The Year	-	5	422	3,994	105	61	142	4,729
Disposals	-	(7)	(12)	(163)	-	(45)	(1)	(228)
As At March 31, 2023	**-**	**59**	**3,457**	**30,977**	**859**	**441**	**858**	**36,651**
Depreciation For The Year	-	5	427	4,123	106	71	134	4,866
Disposals	-	-	-	(79)	-	(42)	-	(121)
As At March 31, 2024	**-**	**64**	**3,884**	**35,021**	**965**	**470**	**992**	**41,396**
Net Block:								
As At March 31, 2023	**2,733**	**421**	**11,066**	**25,861**	**706**	**326**	**305**	**41,418**
As At March 31, 2024	**2,777**	**447**	**11,943**	**26,733**	**650**	**449**	**258**	**43,257**

Notes to the Financial Statements

Note: 3-Property, Plant and Equipment, Intangible Assets, Capital work-in-progress & Intangible Assets under Development: (Continued)

(B) Intangible Assets:

₹ in Million

		Other Intangible Assets				
	Goodwill	Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-how	Total
Gross Block:						
As at March 31, 2022	**102**	**10**	**1,393**	**13**	**224**	**1,640**
Additions	-	-	187	-	-	187
Disposals	-	-	-	-	-	-
As at March 31, 2023	**102**	**10**	**1,580**	**13**	**224**	**1,827**
Acquired under BTA ($)	-	-	1	-	-	1
Additions	-	-	191	-	-	191
Disposals	-	-	-	-	-	-
As at March 31, 2024	**102**	**10**	**1,772**	**13**	**224**	**2,019**
Amortisation and Impairment:						
As at March 31, 2022	**102**	**10**	**1,089**	**10**	**138**	**1,247**
Amortisation for the year	-	-	146	1	10	157
Disposals	-	-	-	-	-	-
As at March 31, 2023	**102**	**10**	**1,235**	**11**	**148**	**1,404**
Amortisation for the year	-	-	167	1	10	178
Disposals	-	-	-	-	-	-
As at March 31, 2024	**102**	**10**	**1,402**	**12**	**158**	**1,582**
Net Block:						
As at March 31, 2023	**-**	**-**	**345**	**2**	**76**	**423**
As at March 31, 2024	**-**	**-**	**370**	**1**	**66**	**437**

Notes:

1 Buildings include ₹ 0.02 (As at March 31, 2023: ₹ 0.02) Million being the value of unquoted shares held in cooperative societies.

2 Additions of ₹ 379 (Previous Year: ₹ 400) Million in research assets during the year are included in "Additions" under the respective heads of Gross Block of Tangible assets as above.

(*) Includes right of use assets, refer Note-47 for detailed breakup.

($) Refer note- 51

(C) Depreciation and Amortisation Expenses:

₹ in Million

	Year ended March 31 2024	Year ended March 31 2023
Depreciation (*)	4,866	4,729
Amortisation	178	157
Total	**5,044**	**4,886**

Notes to the Financial Statements

Note: 3-Property, Plant and Equipment, Intangible Assets, Capital work-in-progress & Intangible Assets under Development: (Continued)

(D) Capital-work-in progress:

₹ in Million

			As at March 31, 2024	As at March 31, 2023
a	**Summarised Statement for movement in Capital-work-in-progress:**			
		Balance as at the beginning of the year	7,393	3,840
		Add: Expenditure incurred during the year	5,299	6,467
		Less: Capitalized during the year	(6,425)	(2,914)
		Balance as at the end of the year	**6,267**	**7,393**
b	**Ageing of Capital-work-in-progress:**			
	Projects in progress:			
	i	Less than 1 year	3,010	5,108
	ii	1 - 2 years	2,790	834
	iii	2 - 3 years	409	355
	iv	More than 3 years	58	1,096
		Total Capital Work-in-Progress	**6,267**	**7,393**

There are no temporary suspended projects.

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

(E) Intangible Assets under Development:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
a	Ageing of Intangible Assets under Development (Less than 1 year)	72	-

There are no intangible asset under development where completion is overdue or cost has exceeded as compared to its original plans.

Note: 4-Investments (Non-Current):

₹ in Million

	Face Value (*)	Nos. (**)	As at March 31, 2024	As at March 31, 2023
Investments in Subsidiaries and Joint Ventures:				
Investments in Equity Instruments			41,560	24,897
Investments in Preference Shares			-	55
Investments in Equity Instruments via Optionally Convertible Preference Shares			27,971	18,381
			69,531	**43,333**
Investments - Others:				
Investments in Equity Instruments			611	750
Investments in Preference Shares			9	9
Investments in Bonds			2,655	2,663
Investments in Debentures			24	22
			3,299	**3,444**
Total			**72,830**	**46,777**

Notes to the Financial Statements

Note: 4-Investments (Non-Current): (Continued)

₹ in Million

		Face Value (*)	Nos. (**)	As at March 31, 2024	As at March 31, 2023
A	**Details of Investments in Subsidiaries and Joint Ventures:**				
	Investment in Equity Instruments (Valued at cost):				
	Subsidiary Companies (Quoted):				
	In fully paid-up equity shares of Zydus Wellness Limited	10	36,647,509	12,320	12,320
	Subsidiary Companies (Unquoted):				
	In fully paid-up equity shares of:				
	Zydus Healthcare Limited	100	2,161,742	4,709	4,709
	Zydus Animal Health and Investments Limited	10	900,000	9	9
	Zydus Foundation	10	50,000	1	1
	Zydus Pharmaceuticals Limited	10	10,000,000	100	100
	Zydus Strategic Investments Limited	10	900,000	9	9
	Zydus VTEC Limited	10	7,500,000	75	75
	LM Manufacturing India Private Limited (₹ 7,750) (100 shares acquired during the year)	10	100 (0)	-	-
	Dialforhealth Unity Limited (₹ 275,000)	10	27,500	-	-
	Dialforhealth Greencross Limited	10	250,000	3	3
	Zydus International Private Limited ($)	€ 1.1251	62,340,456	4,643	4,643
	Zydus Lanka (Private) Limited	LKR 10	3,706,304	15	15
	Zydus Healthcare Philippines Inc.	PHP 10	24,965,120	351	351
	Zydus Worldwide DMCC ($)	AED 1,000	84,480	1,505	1,505
	Sentynl Therapeutics Inc. [Note-46]	$0.0001	100	2,038	2,038
	Zydus Healthcare (USA) LLC	$1	200,000	12	12
	Zydus Pharmaceuticals UK Limited (^) (69,899,999 shares subscribed during the year)	€ 1	69,900,000 (1)	7,076	-
	Zynext Ventures PTE. LTD. (250,000 shares subscribed during the year)	$1	250,001 (1)	21	-
	Zydus Lifesciences Global FZE (441,400 shares subscribed during the year)	AED 1,000	441,400 (0)	10,020	-
				30,587	**13,470**
	Less: Provision for impairment [Note-46]			(2,041)	(2,041)
				28,546	**11,429**

Notes to the Financial Statements

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

₹ in Million

	Face Value [*]	Nos. [**]	As at March 31, 2024	As at March 31, 2023
In fully paid-up Common Stock of:				
Zydus Pharmaceuticals (USA) Inc.	$1	2,300,000	519	519
Zydus Noveltech Inc. [Note-46]	No par value	0 [8,188]	-	3,461
			519	**3,980**
Less: Provision for impairment [Note-46]			-	(3,193)
			519	**787**
Joint Venture Companies [Unquoted]:				
In fully paid-up equity shares of:				
Zydus Hospira Oncology Private Limited	10	7,500,000	75	75
Zydus Takeda Healthcare Private Limited	10	10,000,000	100	100
Bayer Zydus Pharma Private Limited [Note-52]	10	12,499,999	-	125
			175	**300**
Deemed investment:				
Equity Component of Bayer Zydus Pharma Private Limited [Note-52]			-	61
			41,560	**24,897**
Investment in Preference Shares [Valued at amortised cost]:				
Joint Venture Company [Unquoted]:				
In fully paid-up, 5%, Redeemable Non-Cumulative Preference Shares of Bayer Zydus Pharma Private Limited [Note-52]	10	6,000,000	-	55
Investment in Equity Instruments via Optionally Convertible Redeemable Preference Shares [Valued at cost] [Unquoted]:				
Subsidiary Companies:				
German Remedies Pharmaceuticals Private Limited	100	6,332,797	633	633
Zydus VTEC Limited	100	29,900,000 [0]	2,990	-
Zydus Pharmaceuticals Limited	100	66,000,000 [0]	6,600	-
Zydus Animal Health and Investments Limited	10	1,773,350,000	17,734	17,734
Zydus Healthcare Philippines Inc.	PHP 10	983,180	14	14
			27,971	**18,381**

Notes to the Financial Statements

Note: 4-Investments (Non-Current): (Continued)

₹ in Million

		Face Value (*)	Nos. (**)	As at March 31, 2024	As at March 31, 2023
B	**Details of Investments - Others (Valued at fair value through OCI):**				
	Investment in Equity Instruments (Quoted):				
	In fully paid-up Common Stock of:				
	Onconova Therapeutic Inc. USA (₹: 24,352 {as at March 31, 2023: ₹ 17,331})	$0.01	289	-	-
	Pieris Pharmaceuticals Inc., USA	$0.001	1,415,539	22	114
				22	**114**
	In fully paid-up Equity Shares of:				
	Housing Development Finance Corporation Limited (~)	2	0 (219,500)	-	577
	HDFC Bank Limited (~)	1	376,760 (8,000)	545	13
	Kokuyo Camlin Limited	1	72,090	8	5
	Camlin Fine Sciences Limited	1	152,000	13	19
	Accelya Kale Consultants Limited (as at March 31, 2023: ₹ 467,222})	10	383	1	-
				567	**614**
	Investment in Equity Instruments (Unquoted):				
	In fully paid-up Equity Shares of:				
	BEIL Infrastructure Limited (Formerly known as Bharuch Enviro Infrastructure Limited (₹ 12,140/-)	10	1,214	-	-
	Narmada Clean Tech	10	625,813	6	6
	Enviro Infrastructure Company Limited	10	50,000	1	1
	GVFL Limited	10	50,000	1	1
	Saraswat Co-Op Bank Limited (₹ 20,350/-)	10	2,500	-	-
	The Shamrao Vithal Co-Op Bank Limited (₹ 2,500/-)	25	100	-	-
	The Green Environment Co-operative Society Limited (₹ 5,000/-)	100	50	-	-
	Shivalik Solid Waste Management Limited (₹ 2,00,000/-)	10	20,000	-	-
	AMP Energy Green Nine Private Limited	10	1,358,940	14	14
				22	**22**
				611	**750**
	Investment in Preference Shares (Carried at amortised cost) (Unquoted):				
	In fully paid-up, 1%, Redeemable Cumulative preference shares of Enviro Infrastructure Company Limited	10	900,000	9	9

Notes to the Financial Statements

Note: 4-Investments (Non-Current): (Continued)

₹ in Million

		Face Value (*)	Nos. (**)	As at March 31, 2024	As at March 31, 2023
C	**Investment in Bonds (Valued at amortised cost) (Quoted):**				
	In fully paid-up Bonds of:				
	9.75% Piramal Enterprises Limited	1,000,000	35	35	35
	9.00% Indiabulls Housing Finance Limited	1,000	40,000	40	40
	7.95% Bank of Baroda Perpetual	10,000,000	100	1,001	1,001
	8.75% State Bank of India Perpetual	1,000,000	100	100	102
	7.73% State Bank of India Perpetual Series II	1,000,000	650	654	656
	9.04% Bank of India Perpetual Series VI	1,000,000	450	453	455
	8.50% Bank of Baroda Perpetual Series XIV	1,000,000	20	20	20
	8.99% Bank of Baroda Perpetual Series XI	1,000,000	50	51	52
	8.50% State Bank of India Perpetual	1,000,000	50	50	51
	7.72% State Bank of India Perpetual	10,000,000	25	251	251
				2,655	**2,663**
D	**Investment in Compulsorily Convertible Debentures (Valued at amortised cost) (Unquoted):**				
	In fully paid-up Debentures of:				
	0.01%, AMP Energy Green Nine Private Limited	1,000	122,306	24	22
	Total			**72,830**	**46,777**
E	a i Aggregate book value of quoted investments			15,564	15,711
	ii Market value of quoted investments			57,322	60,205
	b Aggregate book value of unquoted investments			57,266	31,066
	c Aggregate amount of impairment in value of investments			2,041	5,234

F Explanations:

a In "Face Value (*)", figures in Indian Rupees unless stated otherwise.

b In "Nos. (**)" figures of previous year are same unless stated in ( ).

($) The net worth of these subsidiaries as on March 31, 2024 is eroded. However, in view of the strategic nature of the investment in these companies and also considering the future business and cash flow projections of these companies, the same are valued at Cost and no impairment allowance is required to be provided for.

(^) The Company has invested in equity shares of Zydus Pharmaceuticals UK Limited, United Kingdom (Zydus UK).

Further, Zydus UK entered into Sale and Purchase Agreement (SPA) on October 31, 2023, for acquisition of 100% stake of LiqMeds Worldwide Limited, LiqMeds Limited, Medsolutions (Europe) Limited, LiqMeds Lifecare Limited and LM Manufacturing Limited (collectively referred as "LiqMeds Group"). The said transaction of acquisition of shares of LiqMeds Group was consummated on November 6, 2023. The cost of acquisition is GBP 68 Million (equivalent to ₹ 7,201 Million) as upfront consideration. Over and above upfront consideration, additional amounts will be paid, in tranches, over next three calendar years, depending on achievement of certain agreed milestones.

(~) Pursuant to merger of HDFC Limited with HDFC Bank Limited, shareholders of HDFC Limited got shares of HDFC Bank Limited. In view of the same, the Company got 368,760 shares of HDFC Bank Limited against the holding of 219,000 shares of HDFC Limited.

Notes to the Financial Statements

Note: 5-Loans:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good unless otherwise stated)		
Loans to Related Parties (*)	36,406	31,658
Total	**36,406**	**31,658**

(*) **Details of loans pursuant to Section 186(4) of Companies Act, 2013 (#):**

Name of the party and relationship with the party to whom loan given:

₹ in Million

		As at March 31, 2024			As at March 31, 2023		
		Non-Current	Current (Refer note-13)	Maximum outstanding balance	Non-Current	Current (Refer note-13)	Maximum outstanding balance
A	**Subsidiary Companies:**						
a	Zydus Worldwide DMCC	9,397	-	13,466	12,445	-	12,445
b	Zydus International Private Limited	11,994	-	11,994	11,817	-	11,817
c	Zydus Pharmaceuticals (USA) Inc.	13,758	-	13,758	7,394	6,162	13,966
d	Dialforhealth Unity Limited	2	-	2	2	-	2
e	Sentynl Therapeutics Inc.	1,251	-	1,251	-	1,232	1,232
f	LM Manufacturing India Private Limited	4	-	4	-	-	-
Total		**36,406**	**-**		**31,658**	**7,394**	

(#) Loans which are outstanding at the end of the respective financial year.

Notes:

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

b All the above loans are repayable within a period of 5 years.

Note: 6-Other Financial Assets:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good unless otherwise stated)		
Security Deposits	142	128
Forward Contract value related to investment in a Joint Venture	-	1,827
Fixed deposits with maturity more than 12 months	1	2,500
Others	1	4
Total	**144**	**4,459**

Notes to the Financial Statements

Note: 7-Other Non-Current Assets:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good unless otherwise stated)		
Capital Advances - Considered Good	1,082	1,017
Capital Advances - Credit impaired	67	70
	1,149	**1,087**
Less: Allowances for credit impaired	67	70
	1,082	**1,017**
Balances with Statutory Authorities	244	258
Others	82	64
Total	**1,408**	**1,339**

Note: 8-Assets for Current Tax (Net):

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Advance payment of Tax (Net of provision for taxation of ₹ 15,610 {as at March 31, 2023: ₹ 12,612} Million)	669	587
Total	**669**	**587**

Notes to the Financial Statements

Note: 9-Inventories:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(The Inventory is valued at lower of cost and net realisable value)		
Classification of Inventories (*):		
Raw Materials	6,949	8,602
Work-in-progress	4,198	3,170
Finished Goods	3,395	3,195
Stock-in-Trade	1,422	1,333
Others:		
Packing Materials	909	1,524
Total	**16,873**	**17,824**
The above includes Goods in transit as under:		
Raw Materials	213	365
Stock-in-Trade	-	18
Packing Materials	28	896
Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories		
Net of reversal of write-down	(12)	22

For details of inventories pledged as security, refer Note-22.

(*) Net of one time provision for inventory of products related to covid treatment and inventory of Covid vaccine of ₹ Nil for the year ended March 31, 2024 (for the year ended March 31, 2023: 2,002 Million).

In respect of goods where provision had been made for expected returns within the expiry period, the Company recognises an asset, i.e., right to the returned saleable goods (included in inventories) for the products expected to be returned in saleable condition. The Company initially measures this asset at the original carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of returned goods. The Company updates the measurement of the asset recorded for any revision to its expected level of returns, as well as any further decrease in value of the returned products. The value of such goods is ₹ 45 (as at March 31, 2023: ₹ 37) Million.

Note: 10-Investment (Current):

₹ in Million

	Nos. (*)	As at March 31, 2024	As at March 31, 2023
Investment in Mutual Funds (Quoted) (Valued at fair value through profit or loss):			
ICICI Prudential Overnight Fund - Direct Plan - Growth	0 (1,667,791.717)	-	2,016
Total		**-**	**2,016**

(*) In "Nos." figures of previous year are stated in ( ).

Notes to the Financial Statements

Note: 11-Trade Receivables:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Secured - Considered good	943	699
Unsecured - Considered good	46,458	34,354
Unsecured - Credit impaired [Refer Note-44 (a) (vi)]	245	61
	47,646	**35,114**
Less: Allowances for credit losses	245	61
Total	**47,401**	**35,053**

Ageing of Trade Receivables :

₹ in Million

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2024							
Undisputed – considered good	42,272	3,888	996	111	134	-	47,401
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	25	10	21	11	47	122	236
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	9	9
Total	**42,297**	**3,898**	**1,017**	**122**	**181**	**131**	**47,646**
Less: Allowances for credit losses							(245)
Trade Receivables							47,401

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2023							
Undisputed – considered good	31,512	2,260	737	433	5	106	35,053
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	17	15	5	15	52
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	9	9
Total	**31,512**	**2,260**	**754**	**448**	**10**	**130**	**35,114**
Less: Allowances for credit losses							(61)
Trade Receivables							35,053

Notes to the Financial Statements

Note: 12-Cash and Bank Balances:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
A	**Cash and Cash Equivalents:**		
	Balances with Banks	1,080	2,404
	Cash on Hand (as at March 31, 2023: ₹ 435,487)	1	-
Total		**1,081**	**2,404**
	A Company keeps fixed deposits with the Nationalised/ Scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds.		
	B There are no amounts of cash and cash equivalent balances held by the entity that are not available for use.		
B	**Bank Balances other than Cash and Cash Equivalents:**		
	Unclaimed dividend accounts	41	43
	Fixed deposits	3,022	34
Total		**3,063**	**77**

Note: 13-Loans:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good)			
Loans to related parties (*)		1,048	8,170
Total		**1,048**	**8,170**
(*)	Details of Loans to Related Parties - Wholly owned Subsidiary Companies are as under:		
	a Zydus Pharmaceuticals (USA) Inc.	-	6,162
	b Zydus International Private Limited (including Interest Receivable on loan ₹ 999 {Previous year: ₹ 279} Million)	999	279
	c Zydus Worldwide DMCC (including Interest Receivable on loan ₹ 49 {Previous year: ₹ 472} Million)	49	472
	d Sentynl Therapeutics Inc. (including Interest Receivable on loan ₹ Nil {Previous year: ₹ 25} Million)	-	1,257
		1,048	**8,170**

Notes:

a All the above loans are repayable within a period of 1 year.

Notes to the Financial Statements

Note: 14-Other Current Financial Assets:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good)		
Forward Contract value related to investment in a Joint Venture	2,803	-
GST Refund receivable	903	636
Interest Receivable	110	110
Production Linked Incentive receivable	2,053	995
Others	104	74
Total	**5,973**	**1,815**

Note: 15-Other Current Assets:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good, unless otherwise stated)		
Balances with Statutory Authorities	2,013	2,128
Advances to Suppliers - Considered Good	1,015	1,238
Advances to Suppliers - Credit impaired	193	168
	1,208	**1,406**
Less: Allowances for credit impaired	193	168
	1,015	**1,238**
Export Incentive Receivables	41	91
Prepaid Expenses	523	515
Advance CSR contribution	81	251
Others	1	-
Total	**3,674**	**4,223**

Note: 16-Equity Share Capital:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Authorised:		
1,725,000,000 (as at March 31, 2023: 1,725,000,000) Equity Shares of ₹ 1/- each	1,725	1,725
	1,725	**1,725**
Issued, Subscribed and Paid-up:		
1,006,233,990 (as at March 31, 2023: 1,012,204,139) Equity Shares of ₹ 1/- each, fully paid-up	1,006	1,012
Total	**1,006**	**1,012**

Notes to the Financial Statements

Note: 16-Equity Share Capital: (Continued)

		As at March 31, 2024	As at March 31, 2023
A	**The reconciliation in number of Equity Shares is as under:**		
	Number of shares at the beginning of the year	1,012,204,139	1,023,742,600
	Less : Extinguished pursuant to buyback of shares [$]	(5,970,149)	(11,538,461)
	Number of shares at the end of the year	1,006,233,990	1,012,204,139

B The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

		As at March 31, 2024	As at March 31, 2023
C	**Details of Shareholders holding more than 5% of aggregate Equity Shares of ₹ 1/- each**		
	a Zydus Family Trust		
	Number of Shares	754,313,343	758,788,706
	% to total share holding	74.96%	74.96%
	b Life Insurance Corporation of India		
	Number of Shares	44,572,427	63,070,404
	% to total share holding	4.43%	6.23%

D Equity Shares held by the promoters/ promoter group of the Company:

	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
	As at March 31, 2024			
1	Zydus Family Trust	754,313,343	74.964	0.000
2	Pankaj R. Patel	44,326	0.004	0.000
3	Pankaj Ramanbhai Patel HUF	29,550	0.003	0.000
4	Pripan Investment Private Limited	17,730	0.002	0.000
5	Taraben Patel Family Will Trust	14,775	0.001	0.000
6	Pritiben Pankajbhai Patel	14,775	0.001	0.000
7	Dr. Sharvil P. Patel	14,775	0.001	0.000
8	Shivani Pankajbhai Patel	14,775	0.001	0.000

Notes to the Financial Statements

Note: 16-Equity Share Capital: (Continued)

	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
	As at March 31, 2023			
1	Zydus Family Trust	758,788,706	74.964	0.103
2	Pankaj R. Patel	44,553	0.004	0.000
3	Pankaj Ramanbhai Patel HUF	29,702	0.003	0.000
4	Pripan Investment Private Limited	17,821	0.002	0.000
5	Taraben Patel Family Will Trust	14,851	0.001	0.000
6	Pritiben Pankajbhai Patel	14,851	0.001	0.000
7	Dr. Sharvil P. Patel	14,851	0.001	0.000
8	Shivani Pankajbhai Patel	14,851	0.001	0.000

[$] The Board of Directors, at its meeting held on February 9, 2024 approved a proposal to buyback 5,970,149 fully paid–up equity shares amounting to ₹ 6,000 Million [Buyback Size, excluding transaction costs and applicable taxes] at a price of ₹ 1,005 per share from the eligible equity shareholders. The buyback was offered to all eligible equity shareholders including the promoters and promoter group of the Company on proportionate basis through the "Tender offer" route in accordance with Securities and Exchange Board of India [Buyback of Securities] Regulations, 2018, as amended and other applicable laws. The Buyback period was from February 9, 2024 to March 14, 2024. The Company had bought back and extinguished 5,970,149 equity shares, comprising of 0.59% of pre-buyback paid up equity share capital of the Company on March 15, 2024. The buyback resulted in a cash outflow of ₹ 7,250 Million [including applicable taxes and transaction costs]. The Company has utilized its General Reserve and Retained Earnings for Buyback of shares. In accordance with Section 69 of the Companies Act, 2013, the Company has credited "Capital Redemption Reserve" with an amount of ₹ 6 Million, being amount equivalent to the face value of the Equity Shares bought back as an appropriation from General Reserve.

The Board of Directors, at its meeting held on May 20, 2022 had approved a proposal to buyback 11,538,461 fully paid–up equity shares amounting to ₹ 7,500 Million [Buyback Size, excluding transaction costs and applicable taxes] at a price of ₹ 650 per share from the eligible equity shareholders. The buyback was offered to all eligible equity shareholders including the promoters and promoter group of the Company on proportionate basis through the "Tender offer" route in accordance with Securities and Exchange Board of India [Buyback of Securities] Regulations, 2018, as amended and other applicable laws. The Buyback period was from May 20, 2022 to July 15, 2022. The Company had bought back and extinguished 11,538,461 equity shares, comprising of 1.13% of pre-buyback paid up equity share capital of the Company on July 19, 2022. The buyback resulted in a cash outflow of ₹ 8,632 Million [including applicable taxes and transaction costs]. The Company had utilized its General Reserve for Buyback of shares. In accordance with Section 69 of the Companies Act, 2013, the Company had credited "Capital Redemption Reserve" with an amount of ₹ 12 Million, being amount equivalent to the face value of the Equity Shares bought back as an appropriation from General Reserve.

Note: 17-Other Equity:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Capital Reserve:		
Balance as per last Balance Sheet	20,379	20,379
Add: Adjusted pursuant to BTA [Refer note-51]	1	-
	20,380	**20,379**
Capital Redemption Reserve:		
Balance as per last Balance Sheet	12	-
Add: Transfer from General Reserve pursuant to buyback of shares [Refer Note-16 $]	6	12
	18	**12**

Notes to the Financial Statements

Note: 17-Other Equity: (Continued)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Other Reserves:		
International Business Development Reserve: (*)		
Balance as per last Balance Sheet	2,000	2,000
General Reserve: (**)		
Balance as per last Balance Sheet	6,893	15,525
Less: Utilised for buyback of shares (Refer Note-16 $)	(5,684)	(7,488)
Less: Transferred to Capital Redemption Reserve pursuant to buyback of shares (Refer Note-16 $)	(6)	(12)
Less: Tax and other payments (transaction costs) on buyback of shares (Refer Note-16 $)	(1,203)	(1,132)
	-	**6,893**
Fair Value through Other Comprehensive Income (FVTOCI) Reserve: (#)		
Balance as per last Balance Sheet	424	583
Less : Debited during the year	(139)	(159)
	285	**424**
Retained Earnings:		
Balance as per last Balance Sheet	105,674	92,894
Add: Profit for the year	34,415	15,292
	140,089	**108,186**
Less: Items of other Comprehensive income recognised directly in Retained Earnings:		
Re-measurement (losses)/ gains on defined benefit plans (net of tax)	(183)	18
Less: Dividend	(6,073)	(2,530)
Less: Tax and other payments (transaction costs) on buyback of shares (Refer Note-16 $)	(357)	-
Balance as at the end of the year	**133,476**	**105,674**
Total	**156,159**	**135,382**

(*) International Business Development Reserve was created pursuant to Composite Scheme of Arrangement approved by the Hon'ble High Court of Gujarat and its utilization shall be as provided in the scheme.

(**) General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.

(#) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to the Financial Statements

Note: 18-Borrowings:

₹ in Million

		Non-current portion		Current Maturities	
		As at March 31		As at March 31	
		2024	2023	2024	2023
A	**Term Loans from Banks:**				
	External Commercial Borrowings (ECB) in Foreign Currency (Unsecured)	-	-	-	822
B	**From Related Parties (Unsecured)**	55,554	37,710	-	-
Total		**55,554**	**37,710**	**-**	**822**
The above amount includes:					
Secured borrowings		-	-	-	-
Unsecured borrowings		55,554	37,710	-	822
Amount disclosed under the head "Borrowings" (Note-22)		-	-	-	(822)
Net amount		**55,554**	**37,710**	**-**	**-**

A Terms of Repayment for Unsecured Borrowings:

a Loans from Related Parties:

i Loan of ₹ 30,279 Million from one of the subsidiary companies will be repaid within 3 years and ₹ 2,555 Million will be repaid within 5 years from the date of first disbursement. Interest on loan is payable on half yearly basis. The outstanding amount as at March 31, 2024 is ₹ 32,834 Million (as at March 31, 2023: 14,130).

ii Loan of ₹ 1,000 Million from one of the subsidiary companies will be repaid within 3 years from the date of first disbursement Interest on loan is payable on half yearly basis. The outstanding amount as at March 31, 2024 is ₹ 1,000 Million (as at March 31, 2023: 800).

iii Loan of ₹ 21,720 Million from one of the subsidiary companies will be repaid within 3 years from the date of first disbursement.

Interest on loan is payable on half yearly basis. The outstanding amount as at March 31, 2024 is ₹ 21,720 Million (as at March 31, 2023: 22,780).

The interest rates on the above loans are in the range of 1 Month Treasury Bill/ 3 year G Sec plus 35 to 150 bps.

Note: 19-Other Financial Liabilities:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Trade Deposits	246	191
Total	**246**	**191**

Note: 20-Provisions:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits	1,851	1,471
Total	**1,851**	**1,471**

Notes to the Financial Statements

Note: 20-Provisions: (Continued)

Defined benefit plan and long term employment benefit

A General description:

Leave wages (Long term employment benefit):

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance (Cash Accumulation) Scheme. The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised (net of the fair value of plan assets as at the balance sheet date) at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

Gratuity (Defined benefit plan):

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Financial Statements

Note: 20-Provisions: (Continued)

₹ in Million

		As at March 31					
		2024			2023		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
B	**Change in the present value of the defined benefit obligation:**						
	Opening obligation	178	1,737	2,001	140	1,498	1,804
	Transfer in/ (out)	-	12	40	-	3	8
	Interest cost	12	110	139	9	93	116
	Current service cost	16	298	234	16	250	218
	Benefits paid	(5)	(247)	(166)	(4)	(240)	(131)
	Actuarial (gains)/ losses on obligation due to:						
	Experience adjustments	9	131	184	(6)	31	47
	Change in demographic assumptions	-	-	-	29	147	-
	Change in financial assumptions	2	19	34	(6)	(45)	(61)
	Closing obligation	**212**	**2,060**	**2,466**	**178**	**1,737**	**2,001**
C	**Change in the fair value of plan assets:**						
	Opening fair value of plan assets	-	141	1,762	-	133	1,180
	Transfer in/ (out)	-	-	(6)	-	-	2
	Expected return on plan assets	-	10	128	-	4	80
	Return on plan assets excluding amounts included in interest income	-	(2)	(16)	-	3	9
	Contributions by employer	-	2	421	-	2	622
	Benefits paid	-	-	(166)	-	(1)	(131)
	Actuarial (losses)/ gains	-	-	-	-	-	-
	Closing fair value of plan assets	**-**	**151**	**2,123**	**-**	**141**	**1,762**
	Total actuarial (losses)/ gains to be recognised	**(11)**	**(150)**	**(218)**	**(17)**	**(133)**	**14**
D	**Actual return on plan assets:**						
	Expected return on plan assets	-	10	128	-	4	80
	Actuarial (losses)/ gains on plan assets	-	-	-	-	-	-
	Actual return on plan assets	**-**	**10**	**128**	**-**	**4**	**80**
E	**Amount recognised in the balance sheet:**						
	Liabilities/ (Assets) at the end of the year	212	2,060	2,466	178	1,737	2,001
	Fair value of plan assets at the end of the year	-	(151)	(2,123)	-	(141)	(1,762)
	Difference	212	1,909	343	178	1,596	239
	Unrecognised past service cost	-	-	-	-	-	-
	Liabilities/ (Assets) recognised in the Balance Sheet	**212**	**1,909**	**343**	**178**	**1,596**	**239**

Notes to the Financial Statements

Note: 20-Provisions: (Continued)

₹ in Million

		As at March 31					
		2024			2023		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
F	**Expenses/ (Incomes) recognised in the Statement of Profit and Loss:**						
	Current service cost	16	298	234	16	250	218
	Interest cost on benefit obligation	12	110	139	9	93	116
	Expected return on plan assets	-	(10)	(128)	-	(4)	(80)
	Return on plan assets excluding amounts included in interest income	-	2	-	-	(3)	-
	Net actuarial (gains)/ losses in the year	11	150	-	17	133	-
	Amount included in "Employee Benefits Expense"	**39**	**550**	**245**	**42**	**469**	**254**
	Return on plan assets excluding amounts included in interest income	-	-	16	-	-	(9)
	Net actuarial (gains)/ losses in the year	-	-	218	-	-	(14)
	Amounts recognized in OCI	**-**	**-**	**234**	**-**	**-**	**(23)**
G	**Movement in net liabilities recognised in Balance Sheet:**						
	Opening net liabilities	178	1,596	239	140	1,365	624
	Transfer in/ (out) obligations	-	12	46	-	3	6
	Expenses as above (P & L Charge)	39	550	245	42	469	254
	Employer's contribution	-	(2)	(421)	-	(2)	(622)
	Amount recognised in OCI	-	-	234	-	-	(23)
	Benefits Paid	(5)	(247)	-	(4)	(239)	-
	Liabilities/ (Assets) recognised in the Balance Sheet	**212**	**1,909**	**343**	**178**	**1,596**	**239**
H	**Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:**						
	Discount rate	7.20%	7.20%	7.20%	7.40%	7.40%	7.40%
	(The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations)						
	Annual increase in salary cost	12% for next 2 year, 9% thereafter			12% for next 2 year, 9% thereafter		
	(The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market)						
	Withdrawal rates (p.a.)	40% at younger ages reducing to 1% at older ages			40% at younger ages reducing to 1% at older ages		
	(The estimates of level of attrition is based on broad economic outlook, type of sector the Company operates in and measures taken by the management to retain/ relieve the employees)						
I	**The categories of plan assets as a % of total plan assets are:**						
	Insurance plan	0.00%	100.00%	100.00%	0.00%	100.00%	99.00%
	Bank Balance	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
	The expected contributions for Defined Benefit Plan for the next financial year will be ₹ 274 Million (Previous year: ₹ 229 Million).						
	The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6.91 years (as at March 31, 2023: 6.66 years).						

Notes to the Financial Statements

Note: 20-Provisions: (Continued)

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumptions is shown below:

₹ in Million

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31					
	2024	2023	2024	2023	2024	2023
Impact on obligation:						
Discount rate increase by 0.5%	(5)	(5)	(46)	(39)	(84)	(64)
Discount rate decrease by 0.5%	7	5	50	41	90	69
Annual salary cost increase by 0.5%	7	5	48	40	87	67
Annual salary cost decrease by 0.5%	(5)	(5)	(46)	(38)	(82)	(63)
Withdrawal rate increase by 10%	(7)	(6)	(31)	(27)	(22)	(16)
Withdrawal rate decrease by 10%	9	7	35	31	24	19

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

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting period)	938	849
Between 2 and 5 years	2,007	1,627
Between 6 and 10 years	1,771	1,490
Total expected payments	**4,716**	**3,966**

Note: 21-Deferred Tax:

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

₹ in Million

	As at March 31 2022	Impact for the previous year	As at March 31 2023	Impact for the current year	As at March 31 2024
Deferred Tax Liabilities:					
Depreciation	2,733	166	2,899	(681)	2,218
Fair Value Adjustment - Financial Instruments	164	-	164	-	164
	2,897	**166**	**3,063**	**(681)**	**2,382**
Deferred Tax Assets:					
Employee benefits/ Payable to Statutory Authorities	1,020	(129)	891	(93)	798
Inventory and related items	82	(11)	71	(16)	55
Receivables	105	-	105	(10)	95
Unabsorbed short term capital loss	159	(106)	53	798	851
	1,366	**(246)**	**1,120**	**679**	**1,799**
Net Deferred Tax Liabilities	**1,531**	**412**	**1,943**	**(1,360)**	**583**

B The Net Deferred Tax reversal of ₹ 1,360 Million (Previous Year charge of ₹ 412 Million) has been recognised in the Statement of Profit and Loss.

Notes to the Financial Statements

Note: 21-Deferred Tax: (Continued)

C The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

D The Company has computed the provision for income tax assuming that the option permitted under section 115BAA of the Income Tax Act, 1961 will be exercised while filing the income tax return for the year ended March 31, 2024. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2024 and re-measured its deferred tax assets and liabilities basis the rate prescribed in the said section. Hence, the tax expense for the year ended March 31, 2024 is not comparable with the amounts of the previous year. The final decision with respect to the election of the said option under section 115BAA of the Income Tax Act, 1961 is required to be taken by the Company at the time of filing the income tax return for the year ended March 31, 2024.

Note: 22-Borrowings:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Loans repayable on Demand:		
Working Capital Loans from Banks (Secured) (*)	-	-
Working Capital Loans from Banks (Unsecured) (**)	6,181	9,693
Current Maturities of Long Term Debt (Refer Note-18)	-	822
Total	**6,181**	**10,515**

(*) Working Capital Loans which are repayable on demand, are secured by hypothecation of inventories of all types, save and except stores and spares relating to plant and machineries (consumable stores and spares), including goods in transit, bills receivables and book debts. The value of such current assets is ₹ 64,274 (as at March 31, 2023 ₹ 52,877) Million. Quarterly statements, including revised statements, of current assets filed by the Company with bank are in agreement with the books of accounts.

(**) PCFC and Packing Credit loans in ₹ (PCRE) loans are payable during April, 2024 to May, 2024. The outstanding amount of loans as at March 31, 2024 is ₹ 6,181 (as at March 31, 2023: ₹ 9,693) Million.

The interest rates on the above loans are in the range of 1 Month Treasury Bill/ 1 Month SOFR plus 25 to 35 bps.

Note: 23-Trade Payables:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
Dues to Micro and Small Enterprises (*)		161	128
Dues to other than Micro and Small Enterprises		10,957	10,304
Total		**11,118**	**10,432**
(*)	Disclosure in respect of Micro and Small Enterprises:		
A	Principal amount remaining unpaid to any supplier as at year end	161	128
B	Interest due thereon	-	-
C	Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	5	6
D	Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
E	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F	Amount of further interest remaining due and payable in succeeding years	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises on the basis of information available with the Company.

Notes to the Financial Statements

Note: 23-Trade Payables: (Continued)

Ageing of Trade Payables : ₹ in Million

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2024						
Undisputed Micro and Small Enterprises (MSME)	156	5	-	-	-	161
Undisputed Others	6,123	4,089	238	155	352	10,957
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	**6,279**	**4,094**	**238**	**155**	**352**	**11,118**
As at March 31, 2023						
Undisputed MSME	128	-	-	-	-	128
Undisputed Others	6,168	3,639	204	237	56	10,304
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	**6,296**	**3,639**	**204**	**237**	**56**	**10,432**

Note: 24-Other Financial Liabilities:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	1,816	1,131
Accrued Expenses	1,860	1,843
Payable for Capital Goods	703	586
Unpaid Dividends (*)	41	43
Total	**4,420**	**3,603**

(*) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note: 25-Other Current Liabilities:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Advances from Customers	553	572
Payable to Statutory Authorities	537	548
Others	64	238
Total	**1,154**	**1,358**

Notes to the Financial Statements

Note: 26-Provisions:

₹ in Million

			As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits			641	571
Provision for claims for product expiry and return of goods (*)			413	343
Total			**1,054**	**914**
(*)	Provision for claims for product expiry and return of goods:			
	a	Provision for product expiry claims and return of goods in respect of products sold during the year is made based on the management's estimates considering the estimated stock lying with retailers.		
		The Company does not expect such claims to be reimbursed by any other party in future.		
	b	The movement in such provision is stated as under:		
		i Carrying amount at the beginning of the year	343	437
		ii Additional (reversal)/ provision made during the year	70	(94)
		iii Carrying amount at the end of the year	413	343

Note: 27-Current Tax Liabilities (Net):

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Provision for Taxation (Net of advance payment of tax of ₹ 18,506 {as at March 31, 2023: ₹ 12,611} Million) (Refer Note-21 D)	1,474	1,077
Total	**1,474**	**1,077**

Note: 28-Contingent Liabilities and Commitments (to the extent not provided for):

₹ in Million

			As at March 31, 2024	As at March 31, 2023
A	**Contingent Liabilities:**			
	a	Claims against the Company not acknowledged as debts	116	128
		- Includes in respect of Amalgamated {*} Companies	2	2
	b	In respect of corporate guarantees given by the Company for the contingent consideration payable by a subsidiary company {Refer Note- 4 (^)}	11,797	-
	c	Other money for which the company is contingently liable:		
		i In respect of the demands raised by the Goods and Service Tax, Central Excise, State Excise, Customs & Service Tax Authority	678	1,781
		- Net of advance of	54	92
		ii In respect of the demands raised by the Ministry of Chemicals & Fertilizers, Govt. of India under Drug Price Control Order, 1979/ 1995 for difference in actual price and price of respective bulk drug allowed while fixing the price of certain formulations and disputed by the Company, which the Company expects to succeed based on the legal advice	79	86
		- Net of advance of	67	67
		- Includes in respect of Amalgamated {*} Companies	5	7

Notes to the Financial Statements

Note: 28-Contingent Liabilities and Commitments (to the extent not provided for):

₹ in Million

		As at March 31, 2024	As at March 31, 2023
iii	In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/ Courts	213	1,090
	- Net of advance of	71	82
iv	In respect of Sales Tax matters pending before appellate authorities/ Court which the Company expects to succeed, based on decisions of Tribunals/ Courts	24	103
	- Net of advance of	5	13
v	Letters of Credit for Imports	-	11
vi	The Company has imported certain capital equipment at concessional rate of custom duty under "Export Promotion of Capital Goods Scheme" of the Central Government. The Company has undertaken an incremental export obligation to the		
	- extent of US $ 1 (Previous Year: 15) Million		
	- equivalent to approx. ₹ 94 (Previous Year: 1,201) Million to be fulfilled during a specified period as applicable from the date of imports. The unprovided liability towards custom duty payable thereon in respect of unfulfilled export obligations where the specified period to fulfil the obligation has not expired	15	194

(*) represents contingent liabilities taken over by the Company under the Scheme of Arrangement and Amalgamation of Cadila Laboratories Limited and erstwhile Cadila Chemicals Limited, Cadila Antibiotics Limited, Cadila Exports Limited and Cadila Veterinary Private Limited with the Company w.e.f. June 1, 1995.

B Legal proceedings:

The Company and/or its subsidiaries are involved in various legal proceedings including product liabilities, employment claims, contracts and other legal and regulatory matters relating to the conduct of its business. The Company believes it has meritorious defences to these lawsuits.

C Commitments:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
a	Estimated amount of contracts remaining to be executed on capital account and not provided for	4,581	3,868
	- Net of advance of	1,015	1,087

Note: 29-Dividend proposed to be distributed:

The Board of Directors, at its meeting held on May 17, 2024, recommended the final dividend of ₹ 3/- per equity share of ₹ 1/- each. The recommended dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

Notes to the Financial Statements

Note: 30-Revenue from Operations:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of Products	103,176	84,212
Other Operating Revenues:		
Production Linked Incentive income (*)	1,894	1,155
Export Incentives	794	517
Contract Manufacturing and Processing income	925	772
Miscellaneous Income	1,398	660
	5,011	**3,104**
Total	**108,187**	**87,316**
(*) The Company is eligible for claiming benefits under the Production Linked Incentive (PLI) Scheme of the Government of India. Based on the claims submitted so far and the estimated claims to be submitted by the Company, the Company has recognised the PLI income.		
Pursuant to Ind AS 115 "Revenue from Contracts with Customers" reconciliation of revenue recognised in the statement of profit and loss with the contracted price is under:		
Revenue as per contracted price	103,241	84,118
Less:		
Provision for Expiry and Sales Return	(75)	104
Discounts/ Price Reduction/ Rebates	10	(10)
	(65)	94
Revenue from contract with customers	**103,176**	**84,212**

Note: 31-Other Income:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	3,221	1,531
Net Gain on Forward Contract	-	258
Gain on valuation of Forward Contract value related to investment in a Joint Venture mandatorily measured at FVTPL	976	113
	4,197	**1,902**
Dividend Income:		
From Investments designated as at FVTOCI	10	7
From Investments designated as at Amortized Cost (*)	6,013	2,394
	6,023	**2,401**
Net Gain on Investments mandatorily measured at FVTPL	142	142
Net Gain on sale of Property, Plant and Equipment and Intangible Assets (Net of loss of ₹ 17 {Previous year:28} Million)	136	810
Other Non-operating Income	350	229
Total	**10,848**	**5,484**
(*) Includes dividend from subsidiary companies	5,263	1,869

Notes to the Financial Statements

Note: 32-Cost of Materials Consumed:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Raw Materials:		
Stock at commencement	8,602	8,277
Add: Purchases	22,731	21,621
	31,333	**29,898**
Less: Stock at close	6,949	8,602
	24,384	**21,296**
Packing Materials consumed	5,630	5,739
Total	**30,014**	**27,035**

Note: 33-Purchases of Stock-in-Trade:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Purchases of Stock-in-Trade	2,832	3,627
Total	**2,832**	**3,627**

Note: 34-Changes in Inventories:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Stock at commencement:		
Work-in-progress	3,170	2,659
Finished Goods	3,195	5,036
Stock-in-Trade	1,333	1,054
	7,698	**8,749**
Less: Stock at close:		
Work-in-progress	4,198	3,170
Finished Goods	3,395	3,195
Stock-in-Trade	1,422	1,333
	9,015	**7,698**
Total	**(1,317)**	**1,051**

Notes to the Financial Statements

Note: 35-Employee Benefits Expense:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	13,655	11,998
Contribution to provident and other funds (*)	979	835
Staff welfare expenses	441	386
Total	**15,075**	**13,219**
Above expenses include:		
Research related expenses:		
Salaries and wages	2,376	2,197
Contribution to provident and other funds	191	152
Staff welfare expenses	51	54
Total	**2,618**	**2,403**
Managing Directors' Remuneration	300	263
(*) The Company's contribution towards defined contribution plan	677	564

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees, as specified under the law. The contributions are paid to the Provident Fund Trust set up by the Company or to the respective Regional Provident Fund Commissioner under the Pension Scheme. The Company is generally liable for annual contribution and any shortfall in the trust fund assets based on the government specified minimum rate of return and recognises such contribution and shortfall, if any, as an expense in the year it is incurred.

Note: 36-Finance Cost:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense (*)	3,882	2,515
Net Loss on foreign currency transactions and translation	4	243
Bank commission & charges	21	24
Total	**3,907**	**2,782**
(*) The break up of interest expense into major heads is given below:		
On term loans	8	152
On working capital loans	168	636
On lease	6	3
On loans from related parties (Refer Note-41)	3,700	1,723
Others	-	1
Total	**3,882**	**2,515**

Notes to the Financial Statements

Note: 37-Other Expenses:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Research Materials	1,513	1,334
Analytical Expenses	1,088	1,248
Consumption of Stores and spare parts	2,138	1,915
Power & fuel	2,982	2,786
Rent	15	12
Repairs to Buildings	181	185
Repairs to Plant and Machinery	798	799
Repairs to Others	183	214
Insurance	481	421
Rates and Taxes [excluding taxes on income]	33	18
Processing Charges	172	212
Commission to Directors	21	17
Traveling Expenses	766	562
Legal and Professional Fees [*]	1,404	2,212
Commission on sales	717	530
Freight and forwarding on sales	2,185	2,423
Representative Allowances	106	100
Other marketing expenses	1,824	1,511
Allowances of credit losses:		
Expected credit loss	215	24
Less: Transferred from balance of expected credit loss	(31)	(23)
	184	**1**
Allowances for Doubtful Advances:		
Doubtful advances written off	-	20
Allowances for credit impaired	25	-
	25	**20**
Less: Transferred from balance of allowances for credit impaired	(3)	(2)
	22	**18**
Directors' fees	7	10
Donations	98	58
Miscellaneous Expenses [#]	4,825	3,989
Total	**21,743**	**20,575**

Notes to the Financial Statements

Note: 37-Other Expenses-Continued:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Above expenses include Research related expenses as follows:		
Research Materials	1,513	1,286
Analytical expenses	936	1,065
Consumption of Stores and spare parts	439	473
Power & Fuel	176	173
Repairs to Buildings	24	31
Repairs to Plant and Machinery	144	171
Repairs to Others	12	17
Insurance	13	7
Traveling Expenses	46	33
Legal and Professional fees	497	659
Net Loss on disposal of Property, Plant and Equipment	5	32
Miscellaneous Expenses [excluding Depreciation of ₹ 385 {Previous Year: ₹ 378} Million]	2,137	1,417
Total	**5,942**	**5,364**
Research related Net Loss on foreign currency transactions and translation	17	26
[*] Legal and Professional Fees include:		
Payment to the Statutory Auditors [excluding GST]:		
i - As Auditor	12	12
- For Other Services	5	4
- Reimbursement of expenses	1	1
- **Total**	**18**	**17**
ii Cost Auditor's Remuneration including fees for other services [excluding GST]	2	2
[#] Miscellaneous Expenses include:		
a Expenditure on Corporate Social Responsibility [CSR] Activities as required u/s 135 of the Companies Act, 2013:	303	243
# Particulars with regard to CSR activities :		
1 Amount required to be spent during the year as per section 135(5)	303	243
2 Amount spent on:		
A Construction/ acquisition of asset	-	63
B Purposes other than (A) above	133	-
3 Amount of excess CSR spent of earlier years utilized for the financial year	251	180
4 Excess / (Shortfall) at the end of the financial year	81	-
5 Amount available for set off in succeeding financial year	81	251
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	211	243
B Education	20	-
C Research	3	-
D Environment sustainability	69	-
9 Details of Related Parties:		
A Contribution to Zydus Foundation, a wholly owned subsidiary of the Company, is a company incorporated under Section 8 of the Companies Act, 2013 [Refer Note-41]	-	63

Notes to the Financial Statements

Note: 38-Tax Expenses:

₹ in Million

		Year ended March 31, 2024	Year ended March 31, 2023
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	9,343	4,641
	Adjustments in respect of current income tax of previous years	-	(23)
		9,343	**4,618**
	Deferred tax:		
	Relating to origination and reversal of temporary differences [Refer Note-21]	(1,360)	412
	Tax expense reported in profit or loss	**7,983**	**5,030**
	OCI Section:		
	Tax related to items recognised in OCI during in the year:		
	Net loss/ (gain) on remeasurements of defined benefit plans	51	(5)
	Tax charged to OCI	**51**	**(5)**
B	**Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:**		
	Profit before tax	42,398	20,322
	Enacted Tax Rate in India (%) [Refer Note-21 D]	25.17%	34.94%
	Expected Tax Expenses	10,672	7,101
	Adjustments for:		
	Tax effect due to non-taxable income for tax purposes	(79)	(1,214)
	Effect of deferred tax assets/ liabilities recognised in earlier years	(796)	30
	Effect of non-deductible expenses	209	870
	Effect of additional deductions in taxable income	(1,517)	(845)
	Effect of MAT Credit utilised on which deferred tax asset is not created	-	(1,013)
	Effect of Remeasurement of opening balances of deferred tax assets and liabilities due to rate change [Refer Note-21 D]	(498)	-
	Others	(8)	101
	Total	**(2,689)**	**(2,071)**
	Tax Expenses as per Statement of profit and loss	**7,983**	**5,030**

Note: 39-Calculation of Earnings per Equity Share [EPS]:

			Year ended March 31, 2024	Year ended March 31, 2023
The numerators and denominators used to calculate the basic and diluted EPS are as follows:				
A	Profit attributable to Shareholders	₹ in Million	34,415	15,292
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,011,926,837	1,015,649,871
C	Nominal value of equity share	₹	1	1
D	**Basic & Diluted EPS**	₹	34.01	15.06

Notes to the Financial Statements

Note: 40-Segment Information:

Segment Information has been given in the Consolidated Financial Statements of the Company. Hence, as per Ind AS-108 "Operating Segments" issued by the Institute of Chartered Accountants of India, no separate disclosure on segment information is given in these financial statements.

Note: 41-Related Party Transactions:

A	**Name of the Related Parties and Nature of the Related Party Relationship:**		
	a	**Entity having control over the Company :**	Zydus Family Trust (Holding 74.96 % in the Company)
	b	**Subsidiary Companies/ entities:**	
		Zydus Healthcare Limited	Zydus Pharmaceuticals (USA) Inc. (USA)
		German Remedies Pharmaceuticals Private Limited	Nesher Pharmaceuticals (USA) LLC (USA)
		Zydus Wellness Limited	ZyVet Animal Health Inc. (USA)
		Zydus Wellness Products Limited	Zydus Healthcare (USA) LLC (USA)
		Liva Nutritions Limited	Sentynl Therapeutics Inc. (USA)
		Liva Investment Limited	Zydus Noveltech Inc. (USA) (dissolved on December 15, 2023)
		Zydus Animal Health and Investments Limited	Hercon Pharmaceuticals LLC (USA) (dissolved on May 24, 2023)
		Dialforhealth Unity Limited	Viona Pharmaceuticals Inc. (USA)
		Dialforhealth Greencross Limited	Zydus Therapeutics Inc. (USA)
		Violio Healthcare Limited	Zynext Ventures USA LLC (USA)
		Zydus Pharmaceuticals Limited	Zydus Healthcare S.A. (Pty) Ltd (South Africa)
		Biochem Pharmaceutical Private Limited	Alidac Pharmaceuticals SA Pty. Ltd. (Formerly known as Simayla Pharmaceuticals (Pty) Ltd (South Africa)
		Zydus Strategic Investments Limited	
		Zydus VTEC Limited	Script Management Services (Pty) Ltd (South Africa)
		Zydus Foundation	Zydus Wellness (BD) Pvt Ltd (Bangladesh)
		LM Manufacturing India Private Limited	Zydus Pharmaceuticals Mexico SA De C.V. (Mexico)
		M/s. Recon Pharmaceuticals and Investments, a Partnership Firm	Zydus Pharmaceuticals Mexico Services Company SA De C.V.(Mexico)
		Zydus International Private Limited (Ireland)	Zydus Worldwide DMCC (UAE)
		Zydus Netherlands B.V. (the Netherlands)	Zydus Wellness International DMCC (UAE)
		Zydus Lanka (Private) Limited (Sri Lanka)	Zydus Lifesciences Global FZE (UAE)
		Zydus Nikkho Farmaceutica Ltda. (Brazil)	Zydus Pharmaceuticals (Canada) Inc. (Canada)
		Alidac Healthcare (Myanmar) Limited (Myanmar)	Zydus Pharmaceuticals UK Limited (UK)
		Zydus Healthcare Philippines Inc. (Philippines)	LM Manufacturing Limited (UK)
		Zynext Ventures PTE. LTD. (Singapore)	Medsolutions (Europe) Limited (UK)
		Zydus France, SAS (France)	LiqMeds Worldwide Limited (UK)
		Laboratorios Combix S.L. (Spain)	LiqMeds Limited (UK)
		Etna Biotech S.R.L. (Italy)	LiqMeds Lifecare Limited (UK)
	c	**Joint Venture Companies:**	
		Zydus Hospira Oncology Private Limited	Bayer Zydus Pharma Private Limited (Refer Note-52)
		Zydus Takeda Healthcare Private Limited	Oncosol Limited

Notes to the Financial Statements

Note: 41-Related Party Transactions: (Continued)

d	**Key Managerial Personnel:**	
	Mr. Pankaj R. Patel	Non-Executive Chairman
	Dr. Sharvil P. Patel	Managing Director & son of Chairman
	Mr. Ganesh N. Nayak	Executive Director
	Mr. Mukesh M. Patel	Non-Executive Director
	Mr. Apurva S. Diwanji	Independent Director
	Mr. Nitin R. Desai	Independent Director
	Ms. Dharmishtaben N. Raval	Independent Director
	Mr. Bhadresh K. Shah	Independent Director
	Mr. Akhil Monappa	Independent Director
	Ms. Upasana Konidela	Independent Director
	Mr. Nitin D. Parekh	Executive Officer (Chief Financial Officer)
	Mr. Dhaval N. Soni	Executive Officer (Company Secretary)
e	**Enterprises significantly influenced by Directors and/or their relatives with whom transactions have taken place:**	
	Cadmach Machinery Company Private Limited	Cadila Laboratories Private Limited
	Zydus Hospitals and Healthcare Research Private Limited	Oneiro Chemicals Private Limited
	Aleta Hospitals LLP	Mukesh M. Patel & Co.
	Zydus Infrastructure Private Limited	M/s. International Tax and Investments Consultants
	Sahyadri Hospitals Private Limited	TUV India Private Limited
	Vitely Bio LLP	Apollo Healthco Limited
f	**Post Employment Benefits Plans with whom transactions have taken place:**	
	Cadila Healthcare Limited Employees Group Gratuity Scheme	Cadila Healthcare Ltd. Managerial Cadre EPF

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

a Details relating to parties referred to in Note-41-A (b, c & e)

Nature of Transactions	Value of the Transactions (₹ in Million)					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31					
	2024	2023	2024	2023	2024	2023
Purchases:						
Goods:						
Zydus Healthcare Limited	193	226	-	-	-	-
Zydus Healthcare (USA) LLC	107	5	-	-	-	-
Zydus Hospira Oncology Private Limited	-	-	98	-	-	-
Oneiro Chemicals Private Limited	-	-	-	-	523	549
Others	27	2,058	-	145	11	4
Total	**327**	**2,289**	**98**	**145**	**534**	**553**

Notes to the Financial Statements

Note: 41-Related Party Transactions: (Continued)

Nature of Transactions	Value of the Transactions (₹ in Million)					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31					
	2024	2023	2024	2023	2024	2023
Property, Plant and Equipment:						
Cadmach Machinery Company Private Limited	-	-	-	-	13	1
Zydus VTEC Limited	7	6	-	-	-	-
Others	-	185	-	-	-	43
Total	**7**	**191**	**-**	**-**	**13**	**44**
Reimbursement of Expenses paid:						
Zydus Pharmaceuticals (USA) Inc.	673	1,695	-	-	-	-
Laboratories Combix S.L.	185	114	-	-	-	-
Zydus France, SAS	264	220	-	-	-	-
Others	281	219	42	12	-	-
Total	**1,403**	**2,248**	**42**	**12**	**-**	**-**
Services:						
Zydus Pharmaceuticals Limited	517	166	-	-	-	-
Zydus Infrastructure Private Limited	-	-	-	-	99	90
Others	10	22	-	1	31	21
Total	**527**	**188**	**-**	**1**	**130**	**111**
Sales:						
Goods:						
Zydus Pharmaceuticals (USA) Inc.	64,111	52,093	-	-	-	-
Others	10,105	8,117	100	466	17	4
Total	**74,216**	**60,210**	**100**	**466**	**17**	**4**
Property, Plant and Equipment and intangible assets:						
Zydus Animal Health and Investments Limited	2	2	-	-	-	-
Zydus Pharmaceuticals Limited	6	10	-	-	-	-
Zydus Healthcare Limited	4	5	-	-	-	-
Others	-	664	-	-	-	-
Total	**12**	**681**	**-**	**-**	**-**	**-**
Reimbursement of Expenses Recovered:						
Zydus Worldwide DMCC	134	139	-	-	-	-
Zydus Animal Health and Investments Limited	92	108	-	-	-	-
Others	24	147	9	-	-	
Total	**250**	**394**	**9**	**-**	**-**	**-**

Notes to the Financial Statements

Note: 41-Related Party Transactions: (Continued)

Nature of Transactions	Value of the Transactions (₹ in Million)					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31					
	2024	2023	2024	2023	2024	2023
Services:						
Zydus Worldwide DMCC	177	115	-	-	-	-
Zydus Healthcare Limited	540	534	-	-	-	-
Alidac Healthcare (Myanmar) Limited	149	-	-	-	-	-
Others	403	368	-	1	2	-
Total	**1,269**	**1,017**	**-**	**1**	**2**	**-**
CSR Expenses:						
Zydus Foundation	-	63	-	-	-	-
Investments:						
Impairment/ Loss on investments (Note-46):						
Sentynl Therapeutics Inc.	-	2,038	-	-	-	-
Zydus Noveltech Inc.	86	-	-	-	-	-
Total	**86**	**2,038**	**-**	**-**	**-**	**-**
Investments made:						
Zydus Pharmaceuticals UK Limited	7,076	-	-	-	-	-
Zydus Pharmaceuticals Limited	6,600	-	-	-	-	-
Zydus VTEC Limited	2,990	-	-	-	-	-
Zydus Lifesciences Global FZE	10,020	-	-	-	-	-
Others	21	-	-	-	-	-
Total	**26,707**	**-**	**-**	**-**	**-**	**-**
Dividend Received:						
Zydus Healthcare Limited	5,080	1,686	-	-	-	-
Zydus Takeda Healthcare Private Limited	-	-	625	325	-	-
Others	183	183	125	200	-	-
Total	**5,263**	**1,869**	**750**	**525**	**-**	**-**
Finance:						
Inter Corporate Loans given:						
Zydus Worldwide DMCC	824	3,886	-	-	-	-
Others	4	17,685	-	-	-	-
Total	**828**	**21,571**	**-**	**-**	**-**	**-**
Inter Corporate Loans repaid by:						
Zydus Pharmaceuticals (USA) Inc.	-	9,134	-	-	-	-
Zydus Worldwide DMCC	4,047	-	-	-	-	-
Total	**4,047**	**9,134**	**-**	**-**	**-**	**-**

Notes to the Financial Statements

Note: 41-Related Party Transactions: (Continued)

Nature of Transactions	Value of the Transactions (₹ in Million)					
	Subsidiary Companies		Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31					
	2024	2023	2024	2023	2024	2023
Inter Corporate Loans accepted:						
Zydus Healthcare Limited	18,925	14,130	-	-	-	-
Zydus Animal Health and Investments Limited	1,500	22,780	-	-	-	-
Others	200	800	-	-	-	-
Total	**20,625**	**37,710**	**-**	**-**	**-**	**-**
Inter Corporate Loans repaid to:						
Zydus Healthcare Limited	221	1,700	-	-	-	-
Zydus Animal Health and Investments Limited	2,560	-	-	-	-	-
Total	**2,781**	**1,700**	**-**	**-**	**-**	**-**
Interest Income:						
Zydus International Private Limited	720	389	-	-	-	-
Zydus Pharmaceuticals (USA) Inc.	810	435	-	-	-	-
Zydus Worldwide DMCC	781	418	-	-	-	-
Others	76	41	3	4	-	-
Total	**2,387**	**1,283**	**3**	**4**	**-**	**-**
Interest Expense:						
Zydus Healthcare Limited	1,845	581	-	-	-	-
Zydus Animal Health and Investments Limited	1,774	1,117	-	-	-	-
Others	81	25	-	-	-	-
Total	**3,700**	**1,723**	**-**	**-**	**-**	**-**
Nature of Transactions	As at March 31					
	2024	2023	2024	2023	2024	2023
Outstanding:						
Payable:						
Zydus Healthcare Limited	33,824	14,549	-	-	-	-
Zydus Animal Health and Investments Limited	22,504	23,467	-	-	-	-
Others	2,638	2,024	48	48	97	124
Total	**58,966**	**40,040**	**48**	**48**	**97**	**124**
Receivable:						
Zydus Worldwide DMCC	9,444	14,076	-	-	-	-
Zydus Pharmaceuticals (USA) Inc.	46,910	37,432	-	-	-	-
Zydus International Private Limited	12,993	12,096	-	-	-	-
Others	7,983	5,885	1	97	6	6
Total	**77,330**	**69,489**	**1**	**97**	**6**	**6**

Notes to the Financial Statements

Note: 41-Related Party Transactions: (Continued)

₹ in Million

			Year ended March 31, 2024	Year ended March 31, 2023
b	**Details relating to persons referred to in Note-41-A (a) above:**			
	(i)	Dividend paid	4,553	1,897
c	**Details relating to persons referred to in Note-41-A (d) above:**			
	(i)	Salaries and other employee benefits to Managing Director, Executive Director and other executive officers	528	466
	(ii)	Commission and Sitting Fees	28	27
	(iii)	Outstanding payable to above (i) and (ii)	174	144
d	**Details relating to persons referred to in Note-41-A (f) above:**			
	(i)	Contributions (including Employees' share and contribution)	923	1,064
e	**Details relating to buyback of shares from Promoter/ Promoter Group (Refer Note-16-D for name of promoters):**			
	(i)	Zydus Family Trust	3,871	4,935
	(ii)	Others	1	1
	(ii)	**Total**	**3,872**	**4,936**

Note: 42-Details of Loans given, Investments made and Guarantees given covered u/s 186(4) of the Companies Act, 2013:

A Details of loans and investments are given under the respective heads.

B There are no corporate guarantees, which are outstanding at the end of the financial year, provided to subsidiaries.

Note: 43-Financial Instruments:

A Fair values hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted prices (unadjusted) in active markets for financial instruments.

Level 2 : Inputs other than quoted prices included within Level 1 which are observable for the assets or liabilities, either directly or indirectly.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the Financial Statements

Note: 43-Financial Instruments: (Continued)

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

₹ in Million

	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Derivative not designated as hedge:				
Forward Contract value related to investment in a Joint Venture	-	2,803	-	2,803
Financial Investments at FVTOCI:				
Quoted equity instruments	589	-	-	589
Unquoted equity instruments	-	22	-	22
Total financial assets	**589**	**2,825**	**-**	**3,414**
Financial liabilities	-	-	-	-
	As at March 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	2,016	-	-	2,016
Derivative not designated as hedge:				
Forward Contract value related to investment in a Joint Venture	-	-	1,827	1,827
Financial Investments at FVTOCI:				
Quoted equity instruments	728	-	-	728
Unquoted equity instruments	-	22	-	22
Total financial assets	**2,744**	**22**	**1,827**	**4,593**
Financial liabilities	-	-	-	-

C Fair value of instruments measured at amortised cost:

Financial assets and liabilities measured at amortised cost for which fair values are disclosed:

₹ in Million

	Carrying Value	As at March 31, 2024			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Investment in preference shares	9	-	9	-	9
Investment in compulsorily convertible debentures	24	-	24	-	24
Investment in Bonds	2,655	2,655	-	-	2,655
		As at March 31, 2023			
Financial assets:					
Investment in preference shares	64	-	64	-	64
Investment in compulsorily convertible debentures	22	-	22	-	22
Investment in Bonds	2,663	2,663	-	-	2,663

Notes to the Financial Statements

Note: 43-Financial Instruments: (Continued)

Financial Assets:

The carrying amounts of trade receivables, loans and advances to related parties and other financial assets (other than referred above), cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

Fair values of investment in preference shares were calculated based on cash flows discounted using the applicable adjusted market interest rates.

Fair values of investment in compulsorily convertible debentures were calculated based on cash flows discounted using the applicable adjusted market interest rates.

D Valuation process and technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

a The use of quoted market prices for similar instruments.

b Fair value of Forward Contract value related to investment in a Joint Venture has been determined considering the estimated exercise price and value of the underlying entity. The valuation has been derived using the Present Value technique under Income Approach. As the forward contract has been exercised as on May 02, 2024, the valuation as on March 31, 2024 does not include significant unobservable inputs.

Movement in Forward Contract value related to investment in a Joint Venture:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Value as at beginning of the year	1,827	1,714
Add: Gain on valuation of Forward Contract value related to investment in a Joint Venture	976	113
Value as at end of the year	2,803	1,827
Out of above, amount disclosed under-		
Other Non-Current Financial Assets (Note-6)	-	1,827
Other Current Financial Assets (Note-14)	2,803	-

Notes to the Financial Statements

Note: 44-Financial Risk Management:

A Financial instruments by category:

₹ in Million

	As at March 31, 2024			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity instruments (other than investment in Equity of Subsidiaries and Joint Ventures)	-	611	-	611
Preference shares	-	-	9	9
Bonds	-	-	2,655	2,655
Debentures	-	-	24	24
Non Current Loans	-	-	36,406	36,406
Non Current Other Financial Assets (other than Forward Contract value related to investment in a JV)	-	-	144	144
Trade receivables	-	-	47,401	47,401
Forward Contract value related to investment in a JV	2,803	-	-	2,803
Cash and Cash Equivalents	-	-	4,144	4,144
Current Loans	-	-	1,048	1,048
Other Current Financial Assets (other than Receivables for Forward Contract)	-	-	3,170	3,170
Total	**2,803**	**611**	**95,001**	**98,415**
Financial liabilities:				
Borrowings (including current maturities and interest accrued but not due)	-	-	63,551	63,551
Trade payables	-	-	11,118	11,118
Non Current Other Financial Liabilities	-	-	281	281
Payable for Capital Goods	-	-	703	703
Other Current Financial Liabilities	-	-	1,914	1,914
Total	**-**	**-**	**77,567**	**77,567**

Notes to the Financial Statements

Note: 44-Financial Risk Management: (Continued)

₹ in Million

	As at March 31, 2023			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity instruments (other than investment in Equity of Subsidiaries and Joint Ventures)	-	750	-	750
Preference shares	-	-	64	64
Mutual funds	2,016	-	-	2,016
Bonds	-	-	2,663	2,663
Debentures	-	-	22	22
Non Current Loans	-	-	31,658	31,658
Non Current Other Financial Assets (other than Forward Contract value related to investment in a JV)	-	-	2,632	2,632
Trade receivables	-	-	35,053	35,053
Forward Contract value related to investment in a JV	1,827	-	-	1,827
Cash and Cash Equivalents	-	-	2,481	2,481
Current Loans	-	-	8,170	8,170
Other Current Financial Assets (other than Receivables for Forward Contract)	-	-	1,815	1,815
Total	**3,843**	**750**	**84,558**	**89,151**
Financial liabilities:				
Borrowings (including current maturities and interest accrued but not due)	-	-	49,356	49,356
Trade payables	-	-	10,432	10,432
Non Current Other Financial Liabilities	-	-	217	217
Payable for Capital Goods	-	-	586	586
Other Current Financial Liabilities	-	-	1,888	1,888
Total	**-**	**-**	**62,479**	**62,479**

Notes to the Financial Statements

Note: 44-Financial Risk Management: (Continued)

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 from investment in preference shares measured at amortised cost, loans and advances to related parties, trade receivables, bank deposits and other financial assets. The Company periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

i Investments at Amortised Cost : They are strategic investments in the normal course of business of the company.

ii Bank deposits : The Company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks.

Hence, there is no significant credit risk on such deposits.

iii Loans to related parties : They are given for business purposes. The Company reassesses the recoverability of loans periodically.

Interest recoveries from these loans are regular and there is no event of defaults.

iv The counter party to the forward contract value related to the Investment in a Joint Venture is the associate entity of co-venturer of one of Joint Ventures. The contract is governed by a shareholders' agreement which has the needful representations by the counter party. The Company is exposed to insignificant credit risk in relation to the same.

v 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.

vi There are no significant credit risks with related parties of the Company. The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments. No single third party customer contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as at March 31, 2024 and March 31, 2023.

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.

Notes to the Financial Statements

Note: 44-Financial Risk Management: (Continued)

Financial assets for which loss allowances is measured using the expected credit loss:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Trade Receivables:		
Less than 180 days (including not due)	46,160	33,772
180 - 365 days	996	737
Above 365 days	245	544
Total	**47,401**	**35,053**
Movement in the expected credit loss allowance on trade receivables:		
Balance at the beginning of the year	61	60
Addition	215	24
Recoveries	(31)	(23)
Balance at the end of the year	**245**	**61**

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 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.

Set out below is the information about the credit risk exposure of the Company's trade receivables as on March 31, 2024 using provision matrix:

Trade Receivables	ECL Rate	₹ in Million	
		Receivable	ECL Value
Upto 360 days	0.05% - 3.26%	47,210	54
361 to 720 days	5.91% - 15.47%	122	11
Above 720 days	18.43% - 100.00%	314	180
Total		**47,646**	**245**

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

b Liquidity risk:

a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to the Financial Statements

Note: 44-Financial Risk Management: (Continued)

Maturities of financial liabilities:

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹ in Million

	< 1 year	1-2 year	2-3 year	> 3 years	Total
	As at March 31, 2024				
Non-derivative Financial Liabilities:					
Borrowings (including current maturities and interest)	10,552	39,864	16,009	2,743	69,168
Other non current financial liabilities	-	14	3	264	281
Trade payables	11,118	-	-	-	11,118
Accrued Expenses	1,860	-	-	-	1,860
Payable for Capital Goods	703	-	-	-	703
Other Current Financial Liabilities	54	-	-	-	54
	24,287	**39,878**	**16,012**	**3,007**	**83,184**
Corporate Guarantees	-	3,370	4,635	3,792	11,797
Total	**24,287**	**43,248**	**20,647**	**6,799**	**94,981**
	As at March 31, 2023				
Non-derivative Financial Liabilities:					
Borrowings (including current maturities and interest)	13,713	2,954	38,662	-	55,329
Other non current financial liabilities	-	5	5	207	217
Trade payables	10,432	-	-	-	10,432
Accrued Expenses	1,843	-	-	-	1,843
Payable for Capital Goods	586	-	-	-	586
Other Current Financial Liabilities	45	-	-	-	45
	26,619	**2,959**	**38,667**	**207**	**68,452**
Corporate Guarantees	-	-	-	-	-
Total	**26,619**	**2,959**	**38,667**	**207**	**68,452**

c **Foreign currency risk:**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar.

Notes to the Financial Statements

Note: 44-Financial Risk Management: (Continued)

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.

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ in Million, are as follows:

₹ in Million

	Exposure of USD	
	As at March 31, 2024	**As at March 31, 2023**
Financial assets:		
Trade receivable	43,228	33,681
Cash and Cash equivalents	579	97
Investment in quoted equity instruments	22	114
Loans to Related Parties alongwith interest	37,448	39,826
Total exposure to foreign currency risk (assets)	**81,277**	**73,718**
Financial liabilities:		
Foreign currency loan alongwith interest	4,592	8,016
Trade and other payable	3,851	4,036
Total exposure to foreign currency risk (liabilities)	**8,443**	**12,052**
Net exposure to foreign currency risk	**72,834**	**61,666**

₹ in Million

	Exposure of Other Foreign Currencies	
	As at March 31, 2024	**As at March 31, 2023**
Financial assets:		
Trade receivable	1,644	1,117
Cash and Cash equivalents	44	31
Total exposure to foreign currency risk (assets)	**1,688**	**1,148**
Financial liabilities:		
Trade and other payable	696	710
Total exposure to foreign currency risk (liabilities)	**696**	**710**
Net exposure to foreign currency risk	**992**	**438**

Notes to the Financial Statements

Note: 44-Financial Risk Management: (Continued)

Sensitivity *:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

₹ in Million

	As at March 31, 2024			As at March 31, 2023		
	Movement in Rate	Impact on PAT (*)	Impact on Other Equity (*)	Movement in Rate	Impact on PAT (*)	Impact on Other Equity (*)
USD	1.50%	817	0	8.00%	3,204	9
USD	-1.50%	(817)	(0)	-8.00%	(3,204)	(9)
Others	1.00%	7	-	6.00%	17	-
Others	-1.00%	(7)	-	-6.00%	(17)	-

* Holding all other variables constant

d Interest rate risk:

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at March 31, 2024, the Company is exposed to changes in market interest rates through borrowings at variable interest rates. The Company's investments in Fixed Deposits are at fixed interest rates.

Sensitivity *:

Below is the sensitivity of profit or loss and equity changes in interest rates:

₹ in Million

	Movement in Rate	As at March 31, 2024	As at March 31, 2023
Interest rates	+0.50%	(231)	(157)
Interest rates	-0.50%	231	157

* Holding all other variables constant

e Price risk:

Exposure:

The Company's exposure to price risk arises from investments in equity and mutual funds 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 funds, the Company diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the Company.

Notes to the Financial Statements

Note: 44-Financial Risk Management: (Continued)

Sensitivity *:

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

₹ in Million

	Movement in Rate	As at March 31, 2024		As at March 31, 2023	
		Impact on PAT	Impact on Other Equity	Impact on PAT	Impact on Other Equity
Equity Instruments (Quoted)					
Increase	+10.00%	-	59	-	73
Decrease	-10.00%	-	(59)	-	(73)
Mutual Funds (Quoted)					
Increase	+2.00%	-	-	40	-
Decrease	-2.00%	-	-	(40)	-

* Holding all other variables constant

C Hedge:

Disclosure of effects of hedge accounting on financial position:

Hedged item - Changes in fair value of trade receivables and loan receivables from overseas entity attributable to changes in foreign exchange rates

Hedging instrument - Changes in fair value of forward contracts and foreign currency borrowings attributable to foreign exchange rates

As at March 31, 2024						
Type of hedged risk	**Carrying amount (USD in Million)**	**Carrying amount (₹ in Million)**	**Maturity Date**	**Hedge Ratio**	**Balance sheet classification**	**Changes in fair value relating to hedged risk (₹ in Million)**
Fair Value Hedge:						
Hedging instrument: Certain Foreign currency borrowings and forward contracts	74	6,184	Range - Within 6 months	1:1	Borrowings and Other Current Financial Assets	41
Hedged item: Certain foreign currency trade receivables and loan receivables	74	6,184	Range - Within 6 months		Trade Receivables and Loans	41

As at March 31, 2023						
Type of hedged risk	**Carrying amount (USD in Million)**	**Carrying amount (₹ in Million)**	**Maturity Date**	**Hedge Ratio**	**Balance sheet classification**	**Changes in fair value relating to hedged risk (₹ in Million)**
Fair Value Hedge:						
Hedging instrument: Certain Foreign currency borrowings	88	7,193	Range - Within 6 months		Borrowings	38
Hedged item: Certain foreign currency trade receivables and loan receivables	88	7,193	Range - Within 6 months	1:1	Trade Receivables and Loans	38

Notes to the Financial Statements

Note: 44-Financial Risk Management: (Continued)

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the dollar offset method to assess effectiveness. There was no hedge ineffectiveness in any of the periods presented above.

Note: 45-Capital Management:

The Company' s capital management objectives are:

a To ensure the Company's ability to continue as a going concern

b To provide an adequate return to shareholders

c To maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Gross debts	61,735	48,225
Total equity	157,165	136,394
Gross debt to equity ratio (No. of times)	0.39	0.35

Loan covenants:

As on March 31, 2024, no long term borrowings is outstanding, hence no financial covenants are applicable to the Company. For the borrowings facilities outstanding during the year, the Company was required to comply with the following financial covenant:

- Gross Debt to Equity must be less than 2:1

This was in line with the Company's covenants as agreed with external Lenders.

Note: 46-Exceptional Items:

A The Company had made provision for impairment of ₹ 2,038 Million in the value of investment in the equity shares of Sentynl Therapeutics Inc. (STI), a wholly owned subsidiary of the Company in USA, due to change in the business plans of STI during the year, which resulted into fair value of net assets of STI being lower than their carrying value during the previous year. Consequently, there has been a diminution in the value of Company's investment in the equity shares of STI. The provision for impairment has been disclosed as an exceptional item for previous year.

B Pursuant to closure of business operations by Zydus Noveltech Inc., a wholly owned subsidiary of the Company in the USA, the Company has recognised a loss of ₹ 86 Million during the year in addition to provision for impairment recognised upto previous year of ₹ 3,193 Million in the value of investment in the common stock of Zydus Noveltech Inc. The same has been disclosed as an exceptional item for current year.

Notes to the Financial Statements

Note: 47-Leases:

Lessee:

A Relating to statement of financial position:

1 Under Ind AS 116, the Company recognises right to use assets and lease liabilities for most leases.

Right of use assets are part of financial statement captions "Property plant and equipment'. Depreciation and impairment are similar to measurement of owned assets. Lease liabilities are part of financial statement captions "non-current financial liabilities" and "current financial liabilities". Interest is part of financial statement captions "Finance costs".

₹ in Million

Right of use assets	Land	Buildings	Total
As at April 1, 2022	**404**	**18**	**422**
Additions during the year	22	21	43
Depreciation charge for the year	5	13	18
Balance as at March 31, 2023 (Net)	**421**	**26**	**447**
Acquired under BTA (Note-51)	20	-	20
Additions during the year	11	31	42
Depreciation charge for the year	5	14	19
Balance as at March 31, 2024 (Net)	**447**	**43**	**490**

The Company leases assets which include office buildings and warehouse spaces.

2 Movement in lease liabilities:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Lease liability at the beginning of the year	28	21
Additions	31	24
Redemption	(11)	(17)
Lease liability at end of the year	48	28
of which:		
Current portion	13	2
Non current portion	35	26

2.1 Maturity analysis of lease liabilities:

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Minimum lease payments due		
Within 1 year	13	2
1-5 years	30	20
Above 5 years	5	16

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.

Notes to the Financial Statements

Note: 47-Leases: (Continued)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Lease payments due to be received:		
Within 1 year	58	34
1-5 years	227	119
Above 5 years	603	256
Total undiscounted lease payments	**888**	**409**

Description of lease activities:

Real estate lease:

The Company leases buildings for it's offices and warehouse space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically made for a fixed period of 3- 10 years and may include extension options which provide operational flexibility. Majority of the leases are cancellable by either parties by serving notice period.

Notes to the Financial Statements

Note: 48-Analytical Ratios:

Sr. No	Ratio	Numerator	Denominator	FY 23-24	FY 22-23	% Change
1	Current Ratio	Current Assets	Current Liabilities	3.11	2.57	21.3%
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.39	0.35	11.1%
3	Debt Service Coverage Ratio ($)	Earnings available for debt service @	Finance costs + Repayment of debt	4.60	2.24	105.5%
4	Return on Equity Ratio (#)	Net Profits after taxes @@	Average Shareholder's Equity	23.5%	12.9%	82.3%
5	Inventory turnover ratio (*)	Net Sales	Average Inventory	5.95	4.54	31.0%
6	Trade Receivables turnover ratio	Net Sales	Average Trade Receivables	2.50	2.91	-14.1%
7	Trade payables turnover ratio	Net Purchases and Other Expenses	Average Trade Payables	4.91	4.89	0.4%
8	Net capital turnover ratio	Net Sales	Average Working Capital	2.12	2.35	-9.7%
9	Net profit ratio (#)	Net Profits after taxes @@	Net Sales	33.4%	20.6%	62.5%
10	Return on Capital employed (#)	Earnings before interest and taxes	Average Capital Employed	22.9%	14.5%	57.7%
11	Return on investments:					
a	Fixed Deposits (~)	Income from investments during the year	Time weighted average of investments	7.8%	4.4%	77.3%
b	Mutual Funds (^)	Income from investments during the year	Time weighted average of investments	6.8%	5.1%	33.3%
c	Bonds	Income from investments during the year	Time weighted average of investments	7.9%	7.9%	0.0%
d	Quoted Investments	Income from investments during the year	Time weighted average of investments	-45.6%	-52.1%	-12.6%

($) Increase is due to increase in profit and lower repayment of debt during the year.

(#) Increase is due to increase in profit.

(*) Increase is due to increase in sales.

(~) Mainly due to maturity profile of the fixed deposits placed by the Company.

(^) Mainly due to market indices.

(@) Net profit after taxes + non cash operating expenses + finance costs - other income.

(@@) Net profit after taxes + exceptional items.

Notes to the Financial Statements

Note: 49:

The Company advances loans and investments to fund the operations of its subsidiaries within consolidated group of the Company which have further utilised these funds for their business purpose in the ordinary course of business, as a part of its treasury operations. These transactions are done on an arms' length basis after complying with the due approval process.

a Following are the details of the funds loaned & invested by the Company to intermediaries for further loan or investment to the ultimate beneficiaries:

Amount in ₹ Million

Name of the intermediary to which the funds are advanced	Date of loan and investment to intermediary	Amount of loan and investment to intermediary	Date on which funds are further loaned and invested by intermediary to ultimate beneficiary	Amount of fund further loan and investment by intermediary to ultimate beneficiary	Ultimate beneficiary
Zydus Worldwide DMCC	13-Jun-23	824	16-Jun-23	824	Zydus Nikkho Farmaceutica Ltda.
Zydus Pharmaceuticals UK Limited	02-Nov-23	4,854	06-Nov-23	4,854	Selling shareholders of LM Manufacturing Limited
Zydus Pharmaceuticals UK Limited	02-Nov-23	2,353	06-Nov-23	2,353	LM Manufacturing Limited

Complete details of the intermediary and ultimate beneficiary:

Name of entity	Registered address	Relationship with the Company
Zydus Worldwide DMCC	Unit No. 908, Armada Tower 2, Plot No. JLT-PH2-P2A, Jumeirah Lakes Towers, Dubai, United Arab Emirates.	Wholly owned subsidiary
Zydus Nikkho Farmaceutica Ltda.	City of Rio de Janeiro, State of Rio de Janeiro, at Governador Chagas Freitas Highway 340, Moneró, CEP 21932-820	Wholly owned subsidiary
Zydus Pharmaceuticals UK Limited	First Floor, Templeback, 10, Templeback , Bristol, United Kingdom, BS1 6FL	Wholly owned subsidiary
LM Manufacturing Limited	Sandretto Building Cavalry Hill Industrial Park, Weedon, Northampton, England, NN7 4PP	Wholly owned subsidiary

b The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise), that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

c The Company has used accounting software for maintaining its books of accounts for the year ended on March 31, 2024 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 except that no audit trail has been enabled at the database level for accounting software to log any direct data changes.

The Company is in process of implementing the audit trail at the database level.

Notes to the Financial Statements

Note: 49: (Continued)

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-Disclosure of transactions with Struck off Companies:

The Company did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

Note: 51:

Pursuant to the Business Transfer Agreement (BTA) entered into by the Company with Watson Pharma Private Limited (Watson) on November 29, 2022, the transaction of acquisition of one of the business undertakings of Watson on a going concern basis by way of slump sale, at a lump-sum cash consideration of ₹ 468 Million by the Company has been completed on August 8, 2023.

Business undertaking of Watson is engaged in the business of developing, manufacturing, marketing and sale of APIs. This acquisition will help the Company to expand its presence in the APIs space through increase in product pipeline and manufacturing capacity.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	₹ in Million
Property, Plant and Equipment	468
Other intangible assets	1
Net Identifiable assets acquired	469
Capital Reserve	(1)
Total acquisition cost	**468**
Acquisition cost settled in Cash	
Consideration	468
Less: Cash and cash equivalents acquired	-
Net Cash outflow on acquisition	**468**

The excess of the fair value of assets acquired over the acquisition cost paid has been attributed to Capital Reserve.

The financial statement for the year ended March 31, 2024 include the operations of the acquired business undertaking of Watson for the period from August 8, 2023 with purchase price allocation (PPA) figures.

From the date of acquisition, Watson has contributed revenue of ₹ Nil and loss after tax of ₹ 217 Million to the Company.

If the business combination had taken place at the beginning of the year, revenue would have been ₹ Nil and loss after tax would have been ₹ 325 Million.

Notes to the Financial Statements

Note: 52-Assets classified as held for sale:

Subsequent to year end, the Board of Directors of the Company, at its meeting held on May 2, 2024, approved to enter into a Share Purchase Agreement (SPA) amongst the Company, Bayer Zydus Pharma Private Limited (BZPPL) and Bayer Pharmaceuticals Private Limited (BPPL) to sell its entire holding of 12,499,999 equity shares (representing 24.99998% of the total paid-up share capital) of BZPPL to BPPL. The said transaction of transfer of shares was completed on May 6, 2024. Post completion of the said transaction, the Company does not hold any shares of BZPPL.

In accordance with Ind AS 105 "Non-Current Assets held for Sale and Discontinued Operations", investment in BZPPL is classified as "Assets held for sale" from Investments and disclosed separately at the lower of its carrying value and fair value less costs to sell.

Investments classified as held for sale:

₹ in Million

1	Fully paid-up equity shares of BZPPL	125
2	Fully paid-up, 5%, Redeemable Non-Cumulative Preference Shares of BZPPL	59
3	Equity Component of 5%, Redeemable Non-Cumulative Preference Shares of BZPPL	61
Total Assets classified as held for sale		**245**

Note: 53:

Figures of previous reporting year have been regrouped/ reclassified to conform to current year's classification.

Signatures to Material Accounting Policies and Notes 1 to 53 to the Financial Statements

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Muscat, Oman
May 17, 2024

INDEPENDENT AUDITOR'S REPORT

To The Members of **Zydus Lifesciences Limited**
(formerly known as Cadila Healthcare Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Zydus Lifesciences Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, in which are incorporated the Returns of the branch of the Parent located in Phillipines, audited by branch auditor.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors and the branch auditor on separate financial statements of the subsidiaries, joint ventures and the branch referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors and the branch auditor in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Assessment of impairment of goodwill and other intangible assets in respect of certain subsidiaries, namely, Zydus Wellness Products Limited and Zydus Nikkho Farmaceutica Ltda., as applicable, not audited by us, having aggregate carrying values of ₹ 40,322 million and ₹ 5,387 million respectively, as at March 31, 2024, in the consolidated financial statements (as described in Notes 2.3, 2.6b and 3B to the consolidated financial statements)** As at March 31, 2024, the Parent has tested the carrying value of goodwill and other intangible assets for impairment. The Group's evaluation of impairment of goodwill and other intangible assets involves comparison of its recoverable amount to its carrying amount. The recoverable amount is determined based on value in use, which represents the present value of the estimated future cash flows expected to arise from the use of the asset group comprising each cash generating unit. There is a risk that the goodwill / other intangible assets will be impaired if these cash flows do not meet the Group's expectations. In addition to significance of the amounts involved, management's assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the forecasted cash flows, principally relating to long-term revenue growth rates, perpetual growth rate, and the discount rate used. Considering the materiality of amounts involved together with the inherent subjectivity related to principal assumptions, this has been considered as a key audit matter by the component auditors.	We had discussions with the component auditors of the respective entities with regard to the assessment of impairment of such goodwill and other intangible assets and performed oversight procedures. Also, we sent out referral instructions to the component auditors and evaluated the responses received from them. The procedures reported to have been applied in this area by the respective component auditors included the following: • Evaluated the design and tested the operating effectiveness of the internal controls relating to review of impairment assessment process, including those over the forecast of future revenues, growth rate, terminal values and the selection of the appropriate discount rate. • Evaluated the reasonableness of the key estimates by comparing the forecasts to historical revenues, margins, growth rate, etc. • Evaluated the reasonableness of the valuation methodology, discount rate and perpetual growth rates used in the computation of value-in-use assessment. • Performed sensitivity analysis around the key estimates to ascertain the extent of change in those assumptions that either individually or collectively would be required for the Goodwill and Other Intangible assets tested to be impaired. • Tested the mathematical and clerical accuracy of the model to conclude that the model is accurately calculating the value in use, using the appropriate methodology.

Sr. No.	Key Audit Matter	Auditor's Response
2	**Chargebacks, price adjustment, product returns, rebates, medicaids, discounts and other related accruals by Zydus Pharmaceuticals (USA) Inc., a subsidiary, not audited by us (as described in Notes 2.8 and 33 to the Consolidated Financial Statements)** The subsidiary makes sales to customers in the United States of America ("USA") that fall under certain reimbursement schemes and mandated contracts of which the most significant are chargebacks, price adjustment, rebates, medicaids, and discounts. The subsidiary also provides a right of return to its customers for its products. These arrangements result in deductions to gross sales and give rise to obligations for the subsidiary, which for unsettled amounts are recognised as an accrual. Considering the complexities of the arrangements and involvement of significant estimations in determining appropriate accruals, this has been considered as a key audit matter by the component auditor.	We had discussions with the component auditor with regard to the said accruals and performed oversight procedures. Also, we sent out referral instructions to the component auditor and evaluated the responses received from them. The procedures reported to have been applied in this area by the component auditor included the following: • Obtained an understanding of the management process for estimation and accounting treatment of transactions arising from various schemes and mandated contracts. • Obtained the calculations for accruals under respective contractual arrangements / reimbursement schemes and test checked the calculations by reference to the commercial policies, the terms of applicable contracts, stock levels at wholesalers, historical levels of product returns, actual sales, claim settlements etc. • Performed retrospective reviews of the accruals recorded during the previous year. • Test checked subsequent settlements / payments made to customers under various schemes and arrangements to determine adequacy of the accruals made at year end. • Tested the mathematical accuracy of the calculations.
3	**Legal Proceedings involving Zydus Pharmaceuticals (USA) Inc., a subsidiary, not audited by us (as described in Notes 2.6F, 2.19 and 30B to the consolidated financial statements)** The subsidiary is involved in various legal proceedings which include claims pursuant to contracts with third parties, claims related to product liabilities, employment claims, anti-trust and other regulatory matters. Most of the claims involve complex issues. The component, assisted by its' external legal counsel assesses the need to make provision or disclose a contingency (unless the possibility of an outflow of resources embodying economic benefits is considered remote) on a case-to-case basis considering the underlying facts of each litigation. The assessment, accounting and disclosure is complex and involves exercise of judgement by the management (due to the difficulty in predicting the outcome of the matter and also estimating the potential impact if the outcome is unfavourable), and the amounts involved could be material to the consolidated financial statements. Considering the complexity and the significance of the matters involved requiring management judgement and estimates, this has been considered as a key audit matter by the component auditor.	We had discussions with the component auditor with regard to their assessment of the accounting / disclosure by the component of the said matters and performed oversight procedures. Also, we sent out referral instructions to the component auditor and evaluated the responses received from them. The procedures reported to have been applied in this area by the component auditor included the following: • Obtained a list of litigations from the in-house legal counsel of the entity; identified material litigations from the aforementioned list and performed inquiries with the said counsel; obtained and read the underlying documents to assess the assumptions used by management in arriving at the conclusions. • Solicited legal letters from the external legal counsels appointed by management. For responses received, read their assessment to corroborate the assessment made by the management. • Evaluated adequacy of disclosures to be made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility and Sustainability Report, Board's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and branch audited by the other auditors and branch auditor, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and branch, is traced from their financial statements audited by the other auditors and the branch auditor.
- 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 Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible

for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, its joint ventures and the branch to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities and its business activities included in the consolidated financial statements of which we are the independent auditors. For the entities and the branch and their business activities included in the consolidated financial statements, which have been audited by the other auditors or the branch auditor, such other auditors and the branch auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 27 subsidiaries whose financial statements reflect total assets of ₹ 3,27,283 million as at March 31 2024, total revenues of ₹ 1,61,627 million and net cash inflows amounting to ₹ 361 million for the year ended on that date, as considered in the consolidated financial statements (the figures reported above are before eliminations on consolidation). The consolidated financial statements also include the Group's share of net profit of ₹ 1,093 million for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of the branch included in the standalone financial statements of the Parent whose financial statements reflect total assets of ₹ 10 million as at December 31, 2023 and total revenues of ₹ 0.01 million for the year ended on that date, as considered in the standalone financial statements of the Parent. The financial statements of this branch have been audited by the branch auditor whose report has been furnished to us. The reporting date of the branch at December 31, 2023 is different from the reporting date of the Parent. In our opinion and according to the information and explanation given to us by the Board of Directors of the Parent, these financial statements are not material to the Parent, accordingly, no adjustments have been made by the Management of the Parent in respect of financial information of the branch for the periods from January 1, 2023 to March 31, 2023 and January 1, 2024 to March 31, 2024. Our opinion in so far as it relates to the amounts and disclosures included in respect of this branch and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid branch, is based solely on the report of such branch auditor.

(c) We did not audit the financial statements of 24 subsidiaries, whose financial statements reflect total assets of ₹ 52,352 million as at March 31, 2024, total revenues of ₹ 8,380 million and net cash inflows amounting to ₹ 161 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements (the figures reported above are before eliminations on consolidation) also include the Group's share of net profit of ₹ 46 million for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of 2 joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and branch auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors and the branch auditor on the separate financial statements of the subsidiaries, joint venture and branch referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law maintained by the Group and its joint venture companies including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept and proper returns adequate for the purposes of our audit have been received from the branches not visited so far as it appears from our examination of those books, returns and the reports of the other auditors and branch auditor, except (a) for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India by 2 joint venture companies (refer Note 56(c) to the consolidated financial statements) and (b) in relation to compliance with the requirements of audit trail, refer paragraph (j)(vi) below.

   c) The report on the accounts of the branch office of the Parent, audited by branch auditor, has been properly dealt with by us in preparing this report.

   d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   e) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS under Section 133 of the Act.

   f) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies, its joint venture companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

   h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies and joint venture companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies and joint venture companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its joint ventures - Refer Note 30 to the consolidated financial statements.

   ii) The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.

   iv) (a) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us (also as auditor of joint venture) and to the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the note 56(a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us (also as auditor of joint venture) and to the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the note 56(b) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiary which is Company incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 32 to the consolidated financial statements, the Board of Directors of the Parent and its subsidiary which is Company incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiary at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks and based on other auditor's report of its subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Parent, its subsidiary companies and joint venture companies incorporated in India have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s):

- In respect of Parent and its one subsidiary Company incorporated in India, audit trail was not enabled at the database level to log any direct changes (refer Note 56(d) to the consolidated financial statements).
- In respect of 8 subsidiary companies incorporated in India, audit trail was not enabled at database level to log any direct changes, as reported by the respective other auditors (refer Note 56(d) to the consolidated financial statements).
- In respect of one subsidiary company and one joint venture company where accounts are unaudited, we are unable to comment on the reporting requirement under Rule 11(g).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements. Further, in respect of the following Company included in the consolidated financial statements, whose audit under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those companies are not available and consequently have not been provided to us as on the date of this audit report:

Name of the company	CIN	Nature of relationship
LM Manufacturing India Private Limited	U93000GJ2017FTC097548	Subsidiary
Zydus Hospira Oncology Private Limited	U24230GJ2005PTC046246	Joint Venture

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 24106189BKFGUX2855)

Place: Muscat, Oman
Date: May 17, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Zydus Lifesciences Limited (hereinafter referred to as "Parent") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and a joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 13 subsidiary companies, and a joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 24106189BKFGUX2855)

Place: Muscat, Oman
Date: May 17, 2024

Consolidated Balance Sheet as at March 31, 2024

₹ in Million

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 (A)	58,033	56,965
Capital work-in-progress	3 (C)	11,115	11,302
Goodwill	3 (B)	52,660	48,044
Other Intangible Assets	3 (B)	12,992	10,200
Intangible Assets under Development	3 (D)	13,118	705
Investments in joint ventures	4	4,162	4,166
Financial Assets:			
Investments	5	5,518	5,107
Loans	6	-	20
Other Financial Assets	7	577	4,980
Deferred Tax Assets (Net)	8	16,442	12,624
Other Non-Current Assets	9	1,969	2,162
Assets for Current Tax (Net)	10	1,208	1,125
		177,794	**157,400**
Current Assets:			
Inventories	11	34,419	34,133
Financial Assets:			
Investments	12	2,525	6,193
Trade Receivables	13	52,202	44,168
Cash and Cash Equivalents	14 (A)	4,130	4,878
Bank Balances other than Cash and Cash Equivalents	14 (B)	6,921	853
Loans	15	15	4
Other Current Financial Assets	16	6,573	2,280
Other Current Assets	17	7,413	7,573
		114,198	**100,082**
Assets classified as held for sale	53	816	82
Total		**292,808**	**257,564**
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	18	1,006	1,012
Other Equity	19	197,289	174,146
Equity attributable to equity holders of the Parent		**198,295**	**175,158**
Non-Controlling Interests	49	22,721	21,725
		221,016	**196,883**
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	20	-	-
Lease Liabilities	31	251	198
Other Financial Liabilities	21	10,542	514
Provisions	22	3,097	2,718
Deferred Tax Liabilities (Net)	8	4,465	1,944
Other Non-Current Liabilities	23	18	-
		18,373	**5,374**
Current Liabilities:			
Financial Liabilities:	24	7,686	11,632
Borrowings	31	105	119
Lease Liabilities			
Trade Payables:			
Dues to Micro and Small Enterprises	25	670	377
Dues to other than Micro and Small Enterprises	25	20,597	20,873
Other Financial Liabilities	26	13,891	14,339
Other Current Liabilities	27	2,780	2,705
Provisions	28	3,948	3,654
Current Tax Liabilities (Net)	29	3,720	1,568
		53,397	**55,267**
Liabilities directly associated with assets classified as held for sale	53	22	40
Total		**292,808**	**257,564**
Material Accounting Policies	2		
Notes to the Consolidated Financial Statements	3 to 58		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Muscat, Oman
May 17, 2024

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Muscat, Oman
May 17, 2024

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

₹ in Million

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
INCOME:			
Revenue from Operations	33	195,474	172,374
Other Income	34	2,841	1,866
Total Income		**198,315**	**174,240**
EXPENSES:			
Cost of Materials Consumed	35	45,805	41,226
Purchases of Stock-in-Trade	36	18,979	19,494
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	37	(2,502)	2,381
Employee Benefits Expense	38	31,376	27,656
Finance Costs	39	812	1,299
Depreciation and Amortisation Expense	40	7,641	7,227
Other Expenses	41	48,783	45,862
Net (Gain) on foreign currency transactions		(810)	(2,844)
Total Expenses		**150,084**	**142,301**
Profit before Exceptional Items and Tax		**48,231**	**31,939**
Less: Exceptional Items	48	142	6,042
Profit before Tax		**48,089**	**25,897**
Less: Tax Expense:			
Current Tax	42	14,926	6,904
Deferred Tax	42	(5,151)	(1,026)
		9,775	**5,878**
Profit for the year before Share of Profit of Joint Ventures		**38,314**	**20,019**
Add: Share of profit of Joint Ventures (Net of Tax)	4	**1,184**	**946**
Profit for the year from Continuing Operations		**39,498**	**20,965**
Profit/ (Loss) before tax from discontinued operations	53	292	(70)
Tax expense - (Charge)/ Credit of discontinued operations	53	(62)	24
Profit/ (Loss) after tax from Discontinued Operations		**230**	**(46)**
Profit for the year		**39,728**	**20,919**
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement (losses)/ gains on post employment defined benefit plans		(296)	7
Income tax effect on above		61	(3)
		(235)	**4**
Net (Loss) on Fair Value through OCI (FVTOCI) Equity Securities		(247)	(165)
Income tax effect on above		-	-
		(247)	**(165)**
Share of OCI of Joint Ventures	4	(3)	(2)
Income tax effect on above		-	-
		(3)	**(2)**
Total		**(485)**	**(163)**
Items that will be reclassified to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		(1,516)	(2,981)
Income tax effect on above		-	-
Total		**(1,516)**	**(2,981)**
Other Comprehensive Loss for the year (Net of Tax)		**(2,001)**	**(3,144)**
Total Comprehensive Income for the year (Net of Tax)		**37,727**	**17,775**
Profit for the year		**39,728**	**20,919**
Attributable to:			
Owners of the Parent		38,595	19,603
Non-Controlling Interests		1,133	1,316
OCI for the year		**(2,001)**	**(3,144)**
Attributable to:			
Owners of the Parent		(2,001)	(3,144)
Non-Controlling Interests		-	-
Total Comprehensive Income for the year		**37,727**	**17,775**
Attributable to:			
Owners of the Parent		36,594	16,459
Non-Controlling Interests		1,133	1,316
Basic & Diluted Earnings per Equity Share (EPS) (in Rupees)	43		
Continuing Operations		37.91	19.35
Discontinued Operations		0.23	(0.05)
Continuing and Discontinued Operations		38.14	19.30
Material Accounting Policies	2		
Notes to the Consolidated Financial Statements	3 to 58		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Muscat, Oman
May 17, 2024

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Muscat, Oman
May 17, 2024

Statement of Changes in Consolidated Equity for the year ended March 31, 2024

a Equity Share Capital:

	No. of Shares	₹ in Million
Equity Shares of ₹ 1/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2022	1,023,742,600	1,024
Less: Extinguished pursuant to buyback of shares	(11,538,461)	(12)
As at March 31, 2023	**1,012,204,139**	**1,012**
Less: Extinguished pursuant to buyback of shares	(5,970,149)	(6)
As at March 31, 2024	**1,006,233,990**	**1,006**

b Other Equity:

₹ in Million

	Attributable to the equity holders of the parent								Non-Controlling Interests	Total Equity
	Reserves and Surplus					Items of OCI		Total		
	Capital Reserve	Capital Redemption Reserve	International Business Development Reserve	General Reserve	Retained Earnings	FVTOCI Reserve	Foreign Currency Translation Reserve			
As at March 31, 2022	278	-	2,000	15,897	154,958	603	(4,764)	168,972	20,542	189,514
Add: Profit for the year	-	-	-	-	19,603	-	-	19,603	1,316	20,919
Add [Less]: Other Comprehensive Income	-	-	-	-	2	(165)	(2,981)	(3,144)	-	(3,144)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**19,605**	**(165)**	**(2,981)**	**16,459**	**1,316**	**17,775**
Transfer pursuant to buyback of shares	-	12	-	(12)	-	-	-	-	-	-
Transactions with Owners in their capacity as owners:								-		
Less: Dividends	-	-	-	-	(2,665)	-	-	(2,665)	(133)	(2,798)
Less: Utilised for buyback of shares	-	-	-	(7,488)	-	-	-	(7,488)	-	(7,488)
Less: Tax and other payments [transaction costs] on buyback of shares [Transactions with other than Owners]	-	-	-	(1,132)	-	-	-	(1,132)	-	(1,132)
As at March 31, 2023	**278**	**12**	**2,000**	**7,265**	**171,898**	**438**	**(7,745)**	**174,146**	**21,725**	**195,871**
Add: Profit for the year	-	-	-	-	38,595	-	-	38,595	1,133	39,728
[Less]: Other Comprehensive Income	-	-	-	-	(238)	(247)	(1,516)	(2,001)	-	(2,001)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**38,357**	**(247)**	**(1,516)**	**36,594**	**1,133**	**37,727**
Add: Adjustment pursuant to Business Transfer Agreement [BTA] [Note-54]	1	-	-	-	-	-	-	1	-	1
Transfer pursuant to buyback of shares	-	6	-	(6)	-	-	-	-	-	-
Transactions with Owners in their capacity as owners:										
Less: Dividends	-	-	-	-	(6,208)	-	-	(6,208)	(137)	(6,345)
Less: Utilised for buyback of shares	-	-	-	(5,684)	-	-	-	(5,684)	-	(5,684)
Less: Tax and other payments [transaction costs] on buyback of shares [Transactions with other than Owners]	-	-	-	(1,203)	(357)	-	-	(1,560)	-	(1,560)
As at March 31, 2024	**279**	**18**	**2,000**	**372**	**203,690**	**191**	**(9,261)**	**197,289**	**22,721**	**220,010**

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Muscat, Oman
May 17, 2024

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Muscat, Oman
May 17, 2024

Consolidated Cash Flow Statement for the year ended March 31, 2024

₹ in Million

	Particulars	Year ended March 31, 2024		Year ended March 31, 2023
A	**Cash flows from operating activities:**			
	Profit before tax and share of profit of joint ventures			
	Continuing operations	48,089		25,897
	Discontinued operations	292		(70)
	Profit before tax and share of profit of joint ventures		48,381	25,827
	Adjustments for:			
	Depreciation and Amortisation expense	7,641		7,227
	Exceptional items	142		6,042
	Net (Gain) on disposal of Property, Plant and Equipment	(134)		(208)
	FVTPL gain/ profit on sale of investments (Net)	(409)		(483)
	Interest income	(1,268)		(757)
	Dividend income	(13)		(11)
	Gain on valuation of Forward Contract value related to investment in a Joint Venture	(976)		(113)
	Interest expenses	756		1,255
	Exchange rate fluctuation and other related adjustments arising on Consolidation	(883)		(3,121)
	Trade receivables written off	3		1
	Expected credit loss on trade receivables (Net)	203		16
	Doubtful advances written off	-		20
	Allowance for doubtful advances (Net of written back)	28		(2)
	Provision for employee benefits	207		(298)
	Provision for probable product expiry claims and return of goods (Net of written back)	170		(229)
	Total		**5,467**	**9,339**
	Operating profit before working capital changes		**53,848**	**35,166**
	Adjustments for:			
	(Increase) in trade receivables	(7,472)		(8,485)
	(Increase)/ Decrease in inventories	(20)		4,407
	(Increase)/ Decrease in other assets	(1,442)		1,459
	(Decrease) in trade payables	(448)		(1,708)
	Increase in other liabilities	671		1,969
	Total		**(8,711)**	**(2,358)**
	Cash generated from operations		**45,137**	**32,808**
	Direct taxes paid (Net of refunds)		(12,858)	(5,920)
	Net cash from operating activities		**32,279**	**26,888**
B	**Cash flows from investing activities:**			
	Purchase of property, plant and equipment and intangible assets	(9,066)		(10,309)
	Proceeds from sale of property, plant and equipment and intangible assets	237		394
	Payment for acquisition of business	(7,201)		-
	Proceeds from redemption of non current investments - subsidiaries	550		400
	Purchase of non current investments - other than subsidiaries	(1,067)		(104)
	Proceeds from sale of non current investments - other than subsidiaries	-		125
	Investments in deposits other than banks (Net)	-		5,134
	Bank balances (including fixed deposits) not considered as cash and cash equivalents (Net)	(3,578)		1,136
	Investments in liquid mutual funds (Net)	4,077		17,822
	Loans to others	9		(24)
	Interest received	1,274		765
	Dividend received	13		11
	Net cash (used in)/ from investing activities		**(14,752)**	**15,350**

Consolidated Cash Flow Statement for the year ended March 31, 2024

₹ in Million

	Particulars	Year ended March 31, 2024		Year ended March 31, 2023
C	**Cash flows from financing activities:**			
	Proceeds from non current borrowings	-		1,552
	Repayment of non current borrowings	(827)		(9,960)
	Current borrowings [Net - (repayment)]	(3,102)		(23,064)
	Buyback of equity shares [including tax and transaction costs]	(7,250)		(8,632)
	Lease liabilities [Net]	14		33
	Interest paid	(729)		(1,262)
	Dividends paid	(6,210)		(2,671)
	Net cash [used in] financing activities		**(18,104)**	**(44,004)**
	Net [decrease] in cash and cash equivalents		**(577)**	**(1,766)**
	Cash and cash equivalents at the beginning of the year		**4,878**	**6,578**
	Cash and cash equivalents of the acquired subsidiaries		**60**	**-**
	Effect of exchange rates on Cash and cash equivalents		**(231)**	**66**
	Cash and cash equivalents at the end of the year		**4,130**	**4,878**

Notes to the Cash Flow Statement

1 The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".

2 All figures in brackets are outflows.

3 Summary of Cash and cash equivalents, Bank balance, Liquid Mutual funds and Fixed Deposits more than 12 months:

₹ in Million

		As at March 31		
		2024	**2023**	**2022**
a	Cash and cash equivalents	4,130	4,878	6,578
b	Bank balance other than cash and cash equivalents	6,921	853	4,491
c	Investment in Liquid Mutual Funds	2,525	6,193	23,532
d	Fixed Deposits more than 12 month's maturity	16	2,506	4
e	**Total**	**13,592**	**14,430**	**34,605**

4 Change in liability arising from financing activities:

₹ in Million

	Borrowings		
	Non-Current [Note-20]	**Current [Note-24]**	**Total**
As at March 31, 2022	8,819	33,141	41,960
Cash flow	(8,408)	(23,064)	(31,472)
Foreign exchange movement	411	733	1,144
As at March 31, 2023	**822**	**10,810**	**11,632**
Cash flow	(827)	(3,102)	(3,929)
Foreign exchange movement	5	(22)	(17)
As at March 31, 2024	**-**	**7,686**	**7,686**

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Muscat, Oman
May 17, 2024

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Muscat, Oman
May 17, 2024

Notes to the Consolidated Financial Statements

Note: 1-Group overview:

The consolidated financial statements comprise financial statements of Zydus Lifesciences Limited ("the Parent") (CIN : L24230GJ1995PLC025878) and its subsidiaries (collectively, "the Group") and the joint ventures for the year ended March 31, 2024. The Group is in the business of integrated pharmaceutical operations with business encompassing the entire value chain in the research, development, production, marketing and distribution of pharmaceutical products. The product portfolio of the Group includes Active Pharmaceutical Ingredients (API), human formulations, animal health & veterinary, health and wellness products. The Parent's shares are listed on the National Stock Exchange of India Limited and BSE Limited. The registered office of the Parent is located at "Zydus Corporate Park", Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), Sarkhej-Gandhinagar Highway, Ahmedabad - 382481. These financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 17, 2024.

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 are in compliance with the Indian Accounting Standards (Ind AS) notified under the Companies (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

iv Contingent consideration

2 Basis of Consolidation:

A The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at March 31, 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b Exposure, or rights, to variable returns from its involvement with the investee, and

c The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a The contractual arrangement with the other vote holders of the investee.

b Rights arising from other contractual arrangements.

c The Group's voting rights and potential voting rights.

d The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

B The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

C Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like

Notes to the Consolidated Financial Statements

transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

D The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group, i.e., year ended on March 31. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary.

3 Business combinations and Goodwill:

A In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward. The same first time adoption exemption is also used for joint ventures.

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

C At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements acquired in a business combination are recognised and measured in accordance with Ind AS-12 "Income Tax" and Ind AS-19 "Employee Benefits" respectively.

Pursuant to recognition of assets and liabilities at fair value, if any difference arises between their books base and tax base, the same is adjusted as part of Goodwill in accordance with Ind AS-12 "Income Tax".

D When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

E Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS-109 "Financial Instruments", is measured at fair value with changes in fair value recognised in Statement of profit and loss. If the contingent consideration is not within the scope of Ind AS-109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequently its settlement is accounted for within equity.

F Goodwill is initially measured at the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as Capital Reserve, without routing the same through OCI.

G After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value less any accumulated impairment.

For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to the Consolidated Financial Statements

H A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of profit and loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.

I If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through Goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

J Wherever any business combination is governed by the Scheme approved by the Hon'ble High Court/ National Company Law Tribunal (NCLT), the business combination is accounted for as per the accounting treatment sanctioned in the Scheme. Goodwill arising on such business combination is amortised over the period, as provided in the Scheme approved by the Hon'ble High Court or NCLT.

4 Common Control Transactions:

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

A The assets and liabilities of the combining entities are reflected at their carrying amounts.

B No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

C The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.

D The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

E The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of Share Capital of the transferor is transferred to Capital Reserve and is presented separately from other Capital Reserves.

F Wherever any business combination is governed by the Scheme approved by the Hon'ble High Court/ NCLT, the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

5 Investment in joint ventures:

A The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment in joint ventures is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint ventures since the acquisition date.

B The Statement of profit and loss reflects the Group's share of the results of operations of the joint ventures. Any change in OCI of those investees is presented as a part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint ventures, the Group recognises its share of any changes, when applicable, in the Statement of changes in equity.

C If an entity's share of losses of joint ventures equals or exceeds its interest in the joint ventures (which includes any long term interest that, in substance, forms part of the Group's net investment in the joint ventures), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

D The financial statements of the joint ventures are prepared for the same reporting period as the

Notes to the Consolidated Financial Statements

Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

E After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value, and then recognises the loss as "Share of profit/ (loss) of joint ventures" in the Statement of profit and loss.

6 Use of Estimates:

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Critical accounting judgments and estimates:

A Property, Plant and Equipment:

Property, Plant and Equipment represent a large proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as changes in technology. Refer note-2 (11).

B Impairment of property, plant and equipment, goodwill and investments:

Significant judgments are involved in determining the estimated future cash flows from the Investments, Property, Plant and Equipment and Goodwill to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials. Refer Note-3.

C Employee benefits:

Actuarial valuation involves key assumptions of life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans. Refer Note-22.

D Product expiry claims and chargebacks:

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists. Significant judgments are involved in determining the value of chargebacks on the basis of terms of agreement with the customers and Government schemes in USA.

E Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and probability of utilisation of Minimum Alternate Tax (MAT) Credit in future. Refer Note-42.

F Contingent liabilities and litigations:

Significant judgments are involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources.

7 Foreign Currency Transactions:

The Group's consolidated financial statements are presented in Indian Rupees (₹), which is the functional currency of the Parent Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Notes to the Consolidated Financial Statements

A The transactions in foreign currencies are translated into functional currency by the Groups' entities at their respective functional currency rates of exchange prevailing on the dates of transactions.

B Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.

C Foreign exchange differences regarded as adjustments to borrowing costs are presented in the Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

D Investments in foreign companies are recorded in functional currency of the entity at the rates of exchange prevailing at the time when the investments were made.

F **Group Companies:**

a On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their Statements of profit and loss are translated at average exchange rates prevailing during the year. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

b Any Goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the reporting date.

c Any Goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1, 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the Parent and no further translation differences occur.

d Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition to IND AS, viz., April 1, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

8 **Revenue Recognition:**

A The following is the accounting policy related to revenue recognition under Ind AS 115.

a **Sale of Goods:**

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer.

Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer.

The goods are often sold with volume discounts/ pricing incentives/ chargebacks/ rebates and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts/ MRP, net of discounts, sales tax/

Goods and Services Tax (GST), chargebacks and other similar allowances. When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

Historical experience, specific contractual terms and future expectations of sales are used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Group.

Notes to the Consolidated Financial Statements

b License Fees:

License fees primarily consist of income from the outlicensing of intellectual property and other licensing and supply arrangements with various parties. Revenue from license fees is recognised when control transfers to the third party and the Group's performance obligations are satisfied. Some of these arrangements include certain performance obligations by the Group.

Revenue from such arrangements is recognised in the period in which the Group completes all its performance obligations.

c Royalty income:

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

d Service Income:

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of indirect taxes, wherever applicable.

B The specific recognition criteria described below must also be met before revenue is recognised:

a Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

b Dividend:

Dividend income is recognised when the Group's right to receive the payment is established.

c Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

9 Government Grants:

A Government grants are recognised only when there is a reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

B When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

C Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.

D When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. However, in accordance with the exemption as per Ind AS 101, for such loans that existed on April 1, 2015, the Group uses the previous GAAP carrying amount of the loan at the date of transition as the carrying amount of loan.

10 Taxes on Income:

Tax expenses comprise of current and deferred tax.

A Current Tax:

a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961 for Indian entities or provisions of respective countries where the group operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Current tax items are recognised in co-relation to the underlying transaction either in profit or loss, OCI or directly in Equity.

Notes to the Consolidated Financial Statements

B Deferred Tax:

a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b Deferred tax liabilities are recognised for all taxable temporary differences.

c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

e Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

f Deferred tax items are recognised in co-relation to the underlying transaction either in profit or loss, OCI or directly in equity.

g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

h Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangement where the group is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangement where it is not probable that the group is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

i Minimum Alternate Tax (MAT)/ Alternate Minimum Tax (AMT) paid in a year is charged to the Statement of Profit and Loss as current tax.

j The Group recognizes MAT credit available as an asset only when and to the extent there is a convincing evidence of actual utilisation of such credit and also based on historical experience that the Group will pay normal income tax during the specified period i.e. the period for which MAT Credit is allowed to be carried forward. Such asset, if recognised, is reviewed at each Balance sheet date and the carrying amount is written down to the extent there is no longer a convincing evidence that the Group will be liable to pay normal tax during the specified period.

11 Property, Plant and Equipment:

A Freehold land is carried at historical cost, less impairment, if any. All other items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost (Net of Input tax credit received/ receivable) includes related expenditure and pre-operative & 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. Effective from April 1, 2007, the foreign exchange loss or gain arising on long term foreign currency monetary items that existed in the financial statements for the period ended on March 31, 2016, attributable to Property, Plant and Equipment is adjusted to the cost of respective Property, Plant and Equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the Statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.

Notes to the Consolidated Financial Statements

On transition to Ind AS, the Group has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

C Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 which may be different for foreign entities. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

The estimated useful lives are as follows:

Asset Class	No. of years
Leasehold Land	Over the period of lease
Buildings	10 to 60 Years
Plant and Equipment	2 to 15 Years
Furniture, Fixtures and Office Equipments	3 to 10 Years
Vehicles	4 to 8 Years

D Depreciation on impaired assets is calculated on the reduced values, if any, on a systematic basis over its remaining useful lives.

E Depreciation on additions/ disposals of the Property, Plant and Equipment during the year is provided on pro-rata basis according to the period during which assets are used.

F Where the actual cost of purchase of an asset is below ₹ 10,000/-, the depreciation is provided @ 100 %.

G Capital work in progress is stated at cost less accumulated impairment loss, if any.

H An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

12 Intangible Assets:

A Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

B Internally generated intangibles are not capitalised and the related expenditure is reflected in Statement of profit and loss in the period in which the expenditure is incurred.

C Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated useful lives.

D Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life as estimated by the management at the time of capitalisation.

E Acquisition cost of separately acquired research and development intangible assets, which are under development, are recognised as In-Process Research and Development assets (IPR&D). Additional cost incurred on further in house development of such assets are charged to the Statement of Profit and Loss of the year in which it is incurred. Such assets are not amortised, but tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

F Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

G Intangible assets under development is stated at cost less accumulated impairment loss, if any.

H An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated

Notes to the Consolidated Financial Statements

as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

The estimated useful lives are as follows:

Asset Class	No. of years
Brands/ Trademarks/ Other intangibles	3 to 15 Years
Technical Know-how, Commercial Rights	3 to 10 Years
Computer Software	3 to 5 Years

13 Research and Development Cost:

A Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.

B Capital expenditure on research and development is given the same treatment as Property, Plant and Equipment.

14 Borrowing Costs:

A Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method.

Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

B Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

15 Impairment of Non Financial Assets:

The Property, Plant and Equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than Goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

16 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

A Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realisable value.

B Cost (Net of Input tax credit availed) of Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods and Stock-in-Trade is determined on Moving Average Method.

C Costs of Finished Goods and Work-in-Progress are determined by taking material cost (Net of Input tax credit availed), labour and relevant appropriate overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Write down of inventories to net realisable value is recognised as an expense and included in "Changes in Inventories of Finished goods,

Work-in-progress and Stock-in-Trade" and "Cost of Materials Consumed" in the relevant note in the Statement of Profit and Loss.

17 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

Notes to the Consolidated Financial Statements

18 Leases:

As a lessee:

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Measurement and recognition of leases as a lessee:

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in financial liabilities.

As a lessor:

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

19 Provisions, Contingent Liabilities and Contingent Assets:

A Provisions are recognised when the Group has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure of contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

20 Provision for Product Expiry Claims:

Provisions for product expiry related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of product expiry claim related costs is revised annually.

21 Employee Benefits:

A Short term obligations:

Liabilities for wages and salaries, including earned leave and sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Notes to the Consolidated Financial Statements

B Long term employee benefits obligations:

a Leave Wages and Sick Leave:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months period after the end of the period in which the employees render the related service. They are therefore, measured at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method, as determined by actuarial valuation, performed by an independent actuary. The benefits are discounted using the market yields at the end of reporting period that have the terms approximating to the terms of the related obligation. Gains and losses through re-measurements are recognised in Statement of profit and loss.

b Defined Benefit Plans:

i Gratuity:

The Group provides for gratuity, a defined benefit plan covering eligible employees of the Parent, its subsidiaries in India and few overseas subsidiaries. The gratuity contributions of the Parent and its Indian subsidiaries are to be made to separately administered fund through insurance companies through Employees Group Gratuity Plan. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at end of the reporting period using the projected unit credit method. The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the Statement of Profit and Loss.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the Statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and

ii Net interest expense or income.

ii Group administered Provident Fund:

In case of a specified class of employees of the Parent, who are eligible to receive benefits of Group administered provident fund, monthly contributions of such employees and the Group are deposited to Employees' Provident Fund Trust. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

Contributions to such provident fund are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

c Defined Contribution Plans - Provident Fund Contribution:

Specified class of employees receive benefits of provident fund, which is a defined contribution plan. Both the eligible employee and the entities make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond their monthly contributions. Such contributions are

Notes to the Consolidated Financial Statements

accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

For details of significant post employment benefit plans refer Note-22.

C Employee Separation Costs:

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

22 Dividends :

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Parent's Board of Directors.

23 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A Financial Assets:

a Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the Group settles to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

i Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii Debt instruments at fair value through other comprehensive income (FVTOCI):

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objectives of both collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii Debt instruments and derivatives at fair value through profit or loss (FVTPL):

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive

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income . The Group has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c Derecognition:

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. When the Group has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

d Impairment of financial assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset. The Group follows 'simplified approach' for recognition of impairment loss allowance.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it requires the Group to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all 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 Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance , i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics.

B Financial Liabilities:

a Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or

Notes to the Consolidated Financial Statements

loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured at amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

d Embedded derivatives:

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

C Reclassification of financial assets:

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

24 Derivative Financial Instruments and Hedge Accounting:

Derivatives are recognised initially at fair value and subsequently at fair value through profit and loss.

Fair value hedges:

The Group applies fair value hedge accounting for changes in fair value of trade receivables (non-derivative financial assets) attributable to foreign currency risk. The Group designates certain non-derivative foreign currency financial liabilities (hedging instrument) to hedge the risks of changes in fair value of trade receivables attributable to the movement in foreign exchange rates. The Group documents, at the time of designation, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking such hedging transactions. The Group also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the risk management objectives are met with the hedging relationship.

Changes in fair values of both hedging instruments and hedged items are recognised in foreign exchange gains / losses as a part of other income or other expenses as the case may be. If the hedge no longer meets the criteria for hedge accounting, this accounting treatment is discontinued.

Net Investment hedges:

The Group applies net investment hedge for hedges of adjustments arising from translating the functional

Notes to the Consolidated Financial Statements

currency financial statements of foreign operations (hedges of net investments) into functional currency of the Parent. The effective portion of change in the fair value of non-derivative financial liabilities is recorded as a foreign currency translation adjustment in other comprehensive income in Group's Consolidated Statement of Comprehensive Income. The change in fair value of the hedging instrument relating to the effective portion of the hedge are subsequently recognised in Group's Consolidated Income Statement on disposal of the foreign operation(s). The ineffective portion of the change in fair value of the non-derivative financial liabilities is recognised in Group's Consolidated Income Statement.

25 Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a In the principal market for the asset or liability, or

b In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

26 Non-Current assets and disposal group held for sale:

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. The fair value of the disposal groups is estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

27 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group.

28 Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

B Recent Accounting Pronouncements:

The Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. For the year ended March 31, 2024, there are no new standards or amendments to the existing standards which are notified but not yet effective.

Notes to the Consolidated Financial Statements

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

(A) Property, Plant and Equipment:

₹ in Million

	Freehold Land	Leasehold Land#	Buildings#	Plant And Equipment	Furniture And Fixtures	Vehicles#	Office Equipment	Total
Gross Block:								
As At March 31, 2022	**3,883**	**1,844**	**19,688**	**66,524**	**1,999**	**1,184**	**1,553**	**96,675**
Additions	522	43	1,016	3,647	48	261	94	5,631
Disposals	-	(29)	(23)	(289)	(2)	(121)	(1)	(465)
Asset held for sale *	-	(11)	-	(4)	(1)	-	-	(16)
Other adjustments	6	-	67	56	8	26	3	166
As At March 31, 2023	**4,411**	**1,847**	**20,748**	**69,934**	**2,052**	**1,350**	**1,649**	**101,991**
Acquired under BTA **	-	20	373	68	4	-	3	468
Acquired Subsidiaries ***	-	-	174	76	18	1	-	269
Additions	45	11	1,227	5,580	111	354	110	7,438
Disposals	-	(5)	(83)	(195)	(3)	(129)	-	(415)
Asset held for sale *	-	(104)	(426)	-	-	-	-	(530)
Other adjustments	1	(56)	(107)	(213)	(3)	15	(7)	(370)
As At March 31, 2024	**4,457**	**1,713**	**21,906**	**75,250**	**2,179**	**1,591**	**1,755**	**108,851**
Depreciation and Impairment:								
As at March 31, 2022	**-**	**143**	**4,306**	**31,917**	**1,032**	**610**	**1,051**	**39,059**
Depreciation for the year	-	21	642	4,995	138	162	198	6,156
Disposals	-	(7)	(12)	(192)	(1)	(76)	(1)	(289)
Asset held for sale *	-	(6)	-	(2)	(1)	-	-	(9)
Other adjustments	-	1	31	57	7	11	2	109
As At March 31, 2023	**-**	**152**	**4,967**	**36,775**	**1,175**	**707**	**1,250**	**45,026**
Depreciation for the year	-	18	656	5,187	140	188	160	6,349
Disposals	-	(3)	(79)	(146)	(2)	(82)	-	(312)
Asset held for sale *	-	(10)	(163)	-	-	-	-	(173)
Other adjustments	-	(1)	(1)	(72)	(2)	8	(4)	(72)
As At March 31, 2024	**-**	**156**	**5,380**	**41,744**	**1,311**	**821**	**1,406**	**50,818**
Net Block:								
As At March 31, 2023	**4,411**	**1,695**	**15,781**	**33,159**	**877**	**643**	**399**	**56,965**
As At March 31, 2024	**4,457**	**1,557**	**16,526**	**33,506**	**868**	**770**	**349**	**58,033**

Notes to the Consolidated Financial Statements

Note: 3-Property, Plant and Equipment, Intangible Assets, Capital work-in-progress & Intangible Assets under Development: (Continued)

(B) Intangible Assets:

₹ in Million

		Other Intangible Assets					
	Goodwill	Brands/ Trademarks	Computer Software	Commercial Rights	Technical Know-How	Other Intangibles	Total
Gross Block:							
As At March 31, 2022	**53,749**	**14,025**	**2,050**	**8,007**	**2,003**	**-**	**26,085**
Additions	-	36	470	-	-	-	506
Disposals	-	(82)	-	-	-	-	(82)
Other Adjustments	339	62	35	660	93	-	850
As At March 31, 2023	**54,088**	**14,041**	**2,555**	**8,667**	**2,096**	**-**	**27,359**
Acquired Under BTA **	-	-	1	-	-	-	1
Acquired Subsidiaries ***	4,616	2,765	1	-	-	907	3,673
Additions	-	34	347	-	-	-	381
Disposals	-	-	(2)	-	-	-	(2)
Other Adjustments	77	12	10	112	20	-	154
As At March 31, 2024	**58,781**	**16,852**	**2,912**	**8,779**	**2,116**	**907**	**31,566**
Amortisation And Impairment:							
As At March 31, 2022	**103**	**5,994**	**1,532**	**7,109**	**827**	**-**	**15,462**
Amortisation For The Year	-	576	262	188	45	-	1,071
Impairment For The Year	5,941 ^	-	-	-	-	-	-
Disposals	-	(92)	-	-	-	-	(92)
Other Adjustments	-	62	20	630	6	-	718
As At March 31, 2023	**6,044**	**6,540**	**1,814**	**7,927**	**878**	**-**	**17,159**
Amortisation For The Year	-	689	296	141	46	120	1,292
Disposals	-	-	(2)	-	-	-	(2)
Other Adjustments	77	11	5	109	-	-	125
As At March 31, 2024	**6,121**	**7,240**	**2,113**	**8,177**	**924**	**120**	**18,574**
Net Block:							
As At March 31, 2023	**48,044**	**7,501**	**741**	**740**	**1,218**	**-**	**10,200**
As At March 31, 2024	**52,660**	**9,612**	**799**	**602**	**1,192**	**787**	**12,992**

Includes right of use assets, refer Note-31 for detailed breakup.

* Refer Note-53 B

** Refer Note-54

*** Refer Note-55

^ Refer Note-48 (1)

Other adjustments include adjustments on account of exchange rate difference.

Notes to the Consolidated Financial Statements

Note: 3-Property, Plant and Equipment, Intangible Assets, Capital work-in-progress & Intangible Assets under Development: (Continued)

Goodwill:

1 Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) those are expected to get benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Consumer Wellness	39,441	39,441
India Human Formulations	5,296	5,296
US Generics	1,472	1,472
Brazil Formulations	1,350	1,350
South Africa Formulations	324	324
Europe Generics	144	144
Liquid orals (Refer Note-55)	4,616	-
Others	17	17
Total	**52,660**	**48,044**

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU/ groups of CGU over a period of five years. An average of the range of key assumptions used is mentioned below. As of March 31, 2024 and March 31, 2023 the estimated recoverable amount of the CGU exceeded its carrying amount. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows :

	As at March 31, 2024	As at March 31, 2023
Long Term Growth Rate	0% - 11.80%	0% - 11.09%
Discount Rate	9.00%-23.30%	11.00%-25.46%

These estimates are likely to differ from future actual results of operations and cash flows.

(C) Capital work-in-progress:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
a	**Summarised Statement for movement in Capital-work-in-progress:**		
	Balance as at the beginning of the year	11,302	6,610
	Add: Expenditure incurred during the year	7,419	11,253
	Add: Other directly attributable costs	213	245
	Less: Capitalized during the year	(7,819)	(6,806)
	Balance as at the end of the year	**11,115**	**11,302**

Notes to the Consolidated Financial Statements

Note: 3-Property, Plant and Equipment, Intangible Assets, Capital work-in-progress & Intangible Assets under Development: (Continued)

(C) Capital work-in-progress:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
b	**Ageing of Capital-work-in-progress:**		
	Projects in progress:		
i	Less than 1 year	3,975	7,637
ii	1 - 2 years	5,311	2,087
iii	2 - 3 years	1,650	455
iv	More than 3 years	179	1,123
Total Capital Work-in-Progress		**11,115**	**11,302**

There are no temporary suspended projects.

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

(D) Intangible Assets under Development:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
a	**Ageing of Intangible Assets under Development:**		
	Projects in progress:		
i	Less than 1 year	12,413	-
ii	1 - 2 years	-	-
iii	2 - 3 years	-	705
iv	More than 3 years	705	-
Total Intangible Assets under Development		**13,118**	**705**

There are no intangible asset under development where completion is overdue or cost has exceeded as compared to its original plans.

Note: 4-Investments in Joint Ventures:

The Group has 50% interest in Zydus Takeda Healthcare Private Limited, Zydus Hospira Oncology Private Limited and Oncosol Limited, 24.99998% interest in Bayer Zydus Pharma Private Limited [Refer Note-53 C]. The Group's interest in all the entities is accounted using the "equity method" in the Consolidated Financial Statements [CFS].

A Summarised financial informations of the material Joint Venture are as under:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
Zydus Takeda Healthcare Private Limited [Takeda]:			
a	Summarised Balance Sheet:		
	Non-Current Assets	1,869	1,809
	Current Assets	3,522	3,116
	Non-Current Liabilities	(175)	(154)
	Current Liabilities	(330)	(823)
	Equity	**4,886**	**3,948**
	Carrying amount of investment of the Group	**2,443**	**1,974**

Notes to the Consolidated Financial Statements

Note: 4-Investments in Joint Ventures: (Continued)

₹ in Million

		As at March 31, 2024	As at March 31, 2023
b	Summarised Statement of Profit and Loss:		
	Revenue	7,931	6,446
	Profit after Tax	2,184	1,428
	Other Comprehensive Income for the year, net of tax	2	-
	Total Comprehensive Income for the year, net of Tax	2,186	1,428
	Group's share in Profit after Tax for the year	**1,092**	**714**
	Group's share in OCI for the year	**1**	**-**
c	Group's share in Contingent liabilities	975	973
d	Group's share in Commitments	25	32
e	Group's share in dividend declared by Takeda during the year	625	325

B Summarised financial informations of individually immaterial Joint Ventures are as under:

		As at March 31, 2024	As at March 31, 2023
a	Summarised Balance Sheet:		
	Non-Current Assets	1,454	1,630
	Current Assets	3,278	5,775
	Non-Current Liabilities	(59)	(145)
	Current Liabilities	(1,237)	(2,095)
	Equity	**3,436**	**5,165**
	Carrying amount of investment of the Group	**1,719**	**2,192**
b	Summarised Statement of Profit and Loss:		
	Revenue	6,165	7,173
	Profit after Tax	273	556
	Other Comprehensive Income for the year, net of tax	(8)	(8)
	Total Comprehensive Income for the year, net of Tax	265	548
	Group's share of Profit after Tax for the year	**92**	**232**
	Group's share of OCI for the year	**(4)**	**(2)**
c	Group's share in Contingent liabilities	2	27
d	Group's share in Commitments	20	39
e	Group's share in dividend declared by Takeda during the year	125	200

Notes to the Consolidated Financial Statements

Note: 5-Investments (Non-Current):

₹ in Million

	Face Value (*)	Nos. (**)	As at March 31, 2024	As t March 31 2023
Investment in Equity Instruments (Valued at cost):				
Subsidiary Company (Unquoted):				
In fully paid-up equity shares of:				
Zydus Foundation (^)	10	50,000	1	1
Investment in Non-convertible Debentures (Valued at amortised cost):				
Subsidiary Company (Quoted):				
Zydus Foundation (^)	1,000,000	900 (1,450)	830	1,233
Investments (Valued at fair value through OCI):				
In fully paid-up Common Stock of:				
Quoted:				
Onconova Therapeutic Inc. USA (₹: 24,352 {as at March 31, 2023: ₹ 17,331})	$0.01	289	-	-
Pieris Pharmaceuticals Inc., USA	$0.001	1,415,539	22	114
			22	**114**
Investments in fully paid-up Equity Instruments:				
Quoted:				
Housing Development Finance Corporation Limited (~)	2	0 (219,500)	-	577
HDFC Bank Limited (~)	1	376,760 (8,000)	545	13
Kokuyo Camlin Limited	1	72,090	8	5
Camlin Fine Sciences Limited	1	152,000	13	19
Accelya Kale Consultants Limited (as at March 31, 2023: ₹ 467,222)	10	383	1	-
Reliance Industries Limited	10	348	1	1
Jio Financial Services Limited (~~) (as at March 31, 2024: ₹ 123,122)	10	348 (0)	-	-
Vedanta Limited	10	57,750	16	16
Tanla Solution Limited	1	2,026	2	1
			586	**632**
Unquoted:				
BEIL Infrastructure Limited (Formerly known as Bharuch Enviro Infrastructure Limited (₹ 12,140/-)	10	1,214	-	-
Narmada Clean Tech	10	625,813	6	6
Enviro Infrastructure Company Limited	10	50,000	1	1
GVFL Limited	10	50,000	1	1
Saraswat Co-Op Bank Limited (₹ 20,350/-)	10	2,500	-	-
The Shamrao Vithal Co-Op Bank Limited (₹ 2,500/-)	25	100	-	-
The Green Environment Co-operative Society Limited (₹ 5,000/-)	100	50	-	-

Notes to the Consolidated Financial Statements

Note: 5-Investments (Non-Current): (Continued)

₹ in Million

	Face Value (*)	Nos. (**)	As at March 31, 2024	As t March 31 2023
Shivalik Solid Waste Management Limited (₹ 2,00,000/-)	10	20,000	-	-
Mylab Discovery Solutions Private Limited ($)	1	6,506,500 [0]	1,060	-
AMP Energy Green Nine Private Limited	10	1,406,790	14	14
AMP Energy Green Thirteen Private Limited (72,000 shares subscribed during the year)	10	72,000 [0]	1	-
			1,083	**22**
			1,669	**654**
Investments in Partnership Firm (Unquoted):				
ABCD Technologies LLP			297	406
Brightseed B LLP			4	4
			301	**410**
Investment in Preference Shares (Carried at amortised cost)(Unquoted):				
In fully paid-up, 1%, Redeemable Cumulative preference Shares of				
Enviro Infrastructure Company Limited	10	900,000	9	9
Investment in Bonds (Valued at amortised cost) (Quoted):				
In fully paid-up Bonds of:				
9.75% Piramal Enterprises Limited	1,000,000	35	35	35
9.00% Indiabulls Housing Finance Limited	1,000	40,000	40	40
7.95% Bank of Baroda Perpetual	10,000,000	100	1,001	1,001
8.75% State Bank of India Perpetual	1,000,000	100	100	102
7.73% State Bank of India Perpetual Series II	1,000,000	650	654	656
9.04% Bank of India Perpetual Series VI	1,000,000	450	453	455
8.50% Bank of Baroda Perpetual Series XIV	1,000,000	20	20	20
8.99% Bank of Baroda Perpetual Series XI	1,000,000	50	51	52
8.50% State Bank of India Perpetual	1,000,000	50	50	51
7.72% State Bank of India Perpetual	10,000,000	25	251	251
			2,655	**2,663**
Investment in Compulsorily Convertible Debentures (Valued at amortised cost) (Unquoted):				
In fully paid-up Debentures of:				
0.01%, AMP Energy Green Nine Private Limited	1,000	126,613	25	23
0.01%, AMP Energy Green Thirteen Private Limited (6,480 debentues subscribed during the year)	1,000	6,480 [0]	6	-
			31	**23**
Total			**5,518**	**5,107**
a i Aggregate book value of quoted investments			4,093	4,642
ii Market value of quoted investments			4,093	4,642
b Aggregate book value of unquoted investments			**1,425**	**465**

Notes to the Consolidated Financial Statements

Note: 5-Investments (Non-Current): (Continued)

Explanations:

a In "Face Value (*)", figures in Indian Rupees unless stated otherwise.

b In "Nos. (**)" figures of previous year are same unless stated in ( ).

(^) Zydus Foundation is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the parent Company's share in Zydus Foundation has not been considered in consolidated financial statements.

(~) Pursuant to merger of HDFC Limited with HDFC Bank Limited, shareholders of HDFC Limited got shares of HDFC Bank Limited. In view of the same, the Group got 368,760 shares of HDFC Bank Limited against the holding of 219,000 shares of HDFC Limited.

(~~) Pursuant to a Scheme of Arrangement, the Group was allotted 348 equity shares of Jio Financial Services Limited, against the holding in Reliance Industries Limited.

($) Zydus Animal Health and Investments Limited (ZAHIL), a wholly owned subsidiary of the Parent, has entered into a Share Purchase Agreement with Rising Sun Holdings Private Limited and Mylab Discovery Solutions Private Limited (Mylab) to acquire 6,506,500 equity shares having face value of ₹ 1/- each at consideration of ₹ 1,060 Million representing 6.5% of the total paid-up equity share capital of Mylab. The ultimate number of shares to be held can change, as per the terms of the Agreement, based on the financial performance of Mylab for the year ended on March 31, 2024.

Note: 6-Loans:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(Unsecured)		
Loan to others - Considered good	-	20
Total	**-**	**20**

Note: 7-Other Financial Assets:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good unless otherwise stated)		
Security Deposits	478	461
Forward Contract value related to investment in a Joint Venture	-	1,827
Fixed deposits with maturity more than 12 months	16	2,506
Others	83	186
Total	**577**	**4,980**

Notes to the Consolidated Financial Statements

Note: 8-Deferred Tax:

₹ in Million

	Consolidated Balance Sheet		Statement of Profit and Loss	
	As at March 31		Year ended March 31	
	2024	2023	2024	2023
Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:				
Deferred Tax Liabilities:				
Depreciation	3,085	3,790	(705)	76
Fair Value Adjustment - Financial Instruments	165	165	-	1
Pursuant to fair valuation of assets and liabilities acquired under business combination [Refer Note-55]	3,850	-	(74)	(11)
	7,100	**3,955**	**(779)**	**66**
Deferred Tax Assets:				
Employee benefits/ Payable to Statutory Authorities	1,590	1,727	(137)	(21)
Inventory and related items	5,425	3,857	1,568	733
Receivables [*]	4,512	1,396	3,116	61
Unabsorbed depreciation and losses	1,931	1,092	839	541
MAT Credit Entitlement	5,173	5,578	(405)	(379)
Others	446	985	(539)	391
Total	**19,077**	**14,635**	**4,442**	**1,326**
Net Deferred Tax [Assets]/ Liabilities	**(11,977)**	**(10,680)**	**(5,221)**	**(1,260)**
Out of above:				
a Disclosed as Deferred Tax Assets	16,442	12,624	-	-
b Disclosed as Deferred Tax Liabilities	4,465	1,944	-	-
c Included in Profit or Loss of continuing operations	-	-	(5,151)	(1,026)
d Included in items of OCI as appropriate	-	-	(70)	(234)

[*] Pursuant to a change in the method of income tax calculation in USA relating to the timing of recognition of certain sales related chargeback and billback, the subsidiaries based in USA had recognized deferred tax asset of ₹ 2,689 Million with a corresponding increase in current tax liability for the year ended March 31, 2024.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

The Parent has computed the provision for income tax assuming that the option permitted under section 115BAA of the Income Tax Act, 1961 will be exercised while filing the income tax return for the year ended March 31, 2024. Accordingly, the Parent has recognised provision for income tax for the year ended March 31, 2024 and re-measured its deferred tax assets and liabilities basis the rate prescribed in the said section. Hence, the tax expense for the year ended March 31, 2024 is not comparable with the amounts of corresponding previous year. The final decision with respect to the election of the said option under section 115BAA of the Income Tax Act, 1961 is required to be taken by the Parent at the time of filing the income tax return for the year ended March 31, 2024.

Notes to the Consolidated Financial Statements

Note: 8-Deferred Tax: (Continued)

The Group has tax losses which arose in India of ₹ 9,459 (as at March 31, 2023: ₹ 7,472) Million. Out of these, losses of ₹ 5,476 (as at March 31, 2023: ₹ 2,066) Million represents business losses which are available for offset for eight years against future taxable profits of the companies in which the losses arose. Majority of these business losses will expire in March 2032. Remaining losses of ₹ 3,983 (as at March 31, 2023: ₹ 5,406) represent the unabsorbed depreciations which will be available for set-off against the future taxable profits for indefinite period. MAT Credit not recognised as at March 31, 2024 is ₹ 354 Million (March 31, 2023: ₹ 852 Million). Such MAT credit has not been recognised and included as a component of deferred tax asset in the balance sheet, as, on the basis of the assessment made by the management of the respective Company's profitability and operational plans in the foreseeable future, the management is of the view that presently, there is no convincing evidence that the respective Company would be liable to pay income tax under the normal provisions of the Income-tax Act for the periods up to which the Company is eligible to utilise the unused MAT credit.

The deferred tax assets have not been recognised in respect of unabsorbed losses of subsidiaries ₹ 8,057 (as at March 31, 2023: ₹ 7,614) Million as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Note: 9-Other Non-Current Assets:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good unless otherwise stated)		
Capital Advances - Considered Good	1,344	1,464
Capital Advances - Credit impaired	72	74
	1,416	**1,538**
Less: Allowances for credit impaired	72	74
	1,344	**1,464**
Balances with Statutory Authorities	415	517
Others	210	181
Total	**1,969**	**2,162**

Note: 10-Assets for Current Tax (Net):

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good unless otherwise stated)		
Advance payment of Tax (Net of provision for taxation)	1,208	1,125
Total	**1,208**	**1,125**

Notes to the Consolidated Financial Statements

Note: 11-Inventories:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(The Inventory is valued at lower of cost and net realisable value)		
Classification of Inventories (*):		
Raw Materials	10,212	11,794
Work-in-progress	6,055	4,597
Finished Goods	6,742	6,783
Stock-in-Trade	9,761	8,676
Others:		
Packing Materials	1,649	2,283
Total	**34,419**	**34,133**
The above includes Goods in transit as under:		
Raw Materials	360	539
Stock-in-Trade	315	246
Packing Materials	66	926
Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories		
Net of reversal of write-down	44	170

For details of inventories pledged as security, refer Note-24.

(*) Net of one time provision for Covid inventory and Covid vaccine inventory of ₹ Nil for the year ended March 31, 2024 (for the year ended March 31, 2023: 2,108 Million).

In respect of goods where provision has been made for expected returns within the expiry period, the Group recognises an asset, i.e., right to the returned saleable goods (included in inventories) for the products expected to be returned in saleable condition. The Group initially measures this asset at the original carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of returned goods. The Group updates the measurement of the asset recorded for any revision to its expected level of returns, as well as any further decrease in value of the returned products. The value of such goods is ₹ 120 (as at March 31, 2023: ₹ 106) Million.

Note: 12-Investment (Current):

₹ in Million

	Nos. (*)	As at March 31, 2024	As at March 31, 2023
Investment in Mutual Funds (Quoted) (Valued at fair value through profit or loss):			
ICICI Prudential Overnight Fund - Direct Plan - Growth	1,956,422.89 (4,498,014.52)	2,525	5,437
HDFC Overnight Fund - Direct Plan - Growth	0 (227,343.796)	-	756
Total		**2,525**	**6,193**

(*) In "Nos." figures of previous year are stated in ( ).

Notes to the Consolidated Financial Statements

Note: 13-Trade Receivables:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Secured - Considered good	943	698
Unsecured - Considered good	51,259	43,470
Unsecured - Credit impaired	456	250
	52,658	**44,418**
Less: Allowances for credit losses	456	250
Total	**52,202**	**44,168**

Ageing of Trade Receivables :

₹ in Million

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2024							
Undisputed – considered good	49,056	2,756	250	67	24	49	52,202
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	25	10	32	37	139	144	387
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	8	6	7	48	69
Total	**49,081**	**2,766**	**290**	**110**	**170**	**241**	**52,658**
Less: Allowances for credit losses							(456)
Trade Receivables							52,202

₹ in Million

Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2023							
Undisputed – considered good	41,605	2,153	144	204	42	20	44,168
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	2	24	36	40	112	214
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	1	2	2	6	25	36
Total	**41,605**	**2,156**	**170**	**242**	**88**	**157**	**44,418**
Less: Allowances for credit losses							(250)
Trade Receivables							44,168

Notes to the Consolidated Financial Statements

Note: 14-Cash and Bank Balances:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
A	**Cash and Cash Equivalents:**		
	Balances with Banks	4,125	4,870
	Cash on Hand	5	8
Total		**4,130**	**4,878**
B	**Bank Balances other than Cash and Cash Equivalents:**		
	Unclaimed dividend accounts	46	48
	Fixed deposits	6,875	805
Total		**6,921**	**853**

Note: 15-Loans:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good]		
Loan to others - Considered good	15	4
Total	**15**	**4**

Note: 16-Other Current Financial Assets:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good]		
Forward Contract value related to investment in a Joint Venture	2,803	-
GST Refund receivable	908	643
Budgetary Support Income receivable	415	324
Production Linked Incentive receivable	2,070	1,013
Interest Receivable	110	110
Others	267	190
Total	**6,573**	**2,280**

Notes to the Consolidated Financial Statements

Note: 17-Other Current Assets:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good)		
Balances with Statutory Authorities	4,530	4,277
Advances to Suppliers - Considered Good	1,558	1,658
Advances to Suppliers - Credit impaired	198	168
	1,756	**1,826**
Less: Allowances for credit impaired	198	168
	1,558	**1,658**
Export Incentive Receivables	48	91
Prepaid Expenses	1,021	1,016
Advance CSR contribution	81	345
Others	175	186
Total	**7,413**	**7,573**

Note: 18-Equity Share Capital:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Authorised:		
1,725,000,000 (as at March 31, 2023: 1,725,000,000) Equity Shares of ₹ 1/- each	1,725	1,725
	1,725	**1,725**
Issued, Subscribed and Paid-up:		
1,006,233,990 (as at March 31, 2023: 1,012,204,139) Equity Shares of ₹ 1/- each, fully paid-up	1,006	1,012
Total	**1,006**	**1,012**

Notes to the Consolidated Financial Statements

Note: 18-Equity Share Capital: (Continued)

		As at March 31, 2024	As at March 31, 2023
A	**The reconciliation in number of Equity Shares is as under:**		
	Number of shares at the beginning of the year	1,012,204,139	1,023,742,600
	Less : Extinguished pursuant to buyback of shares ($)	(5,970,149)	(11,538,461)
	Number of shares at the end of the year	1,006,233,990	1,012,204,139
B	The Parent has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the parent company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
C	**Details of Shareholders holding more than 5% of aggregate Equity Shares of ₹ 1/- each fully paid:**		
	a Zydus Family Trust		
	Number of Shares	754,313,343	758,788,706
	% to total share holding	74.96%	74.96%
	b Life Insurance Corporation of India		
	Number of Shares	44,572,427	63,070,404
	% to total share holding	4.43%	6.23%

D Equity Shares held by the promoters/ promoter group of the Company:

	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
	As at March 31, 2024			
1	Zydus Family Trust	754,313,343	74.964	0.000
2	Pankaj R. Patel	44,326	0.004	0.000
3	Pankaj Ramanbhai Patel HUF	29,550	0.003	0.000
4	Pripan Investment Private Limited	17,730	0.002	0.000
5	Taraben Patel Family Will Trust	14,775	0.001	0.000
6	Pritiben Pankajbhai Patel	14,775	0.001	0.000
7	Dr. Sharvil P. Patel	14,775	0.001	0.000
8	Shivani Pankajbhai Patel	14,775	0.001	0.000

	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
	As at March 31, 2023			
1	Zydus Family Trust	758,788,706	74.964	0.103
2	Pankaj R. Patel	44,553	0.004	0.000
3	Pankaj Ramanbhai Patel HUF	29,702	0.003	0.000
4	Pripan Investment Private Limited	17,821	0.002	0.000
5	Taraben Patel Family Will Trust	14,851	0.001	0.000
6	Pritiben Pankajbhai Patel	14,851	0.001	0.000
7	Dr. Sharvil P. Patel	14,851	0.001	0.000
8	Shivani Pankajbhai Patel	14,851	0.001	0.000

Notes to the Consolidated Financial Statements

Note: 18-Equity Share Capital: (Continued)

($) The Board of Directors of the Parent, at its meeting held on February 9, 2024 approved a proposal to buyback 5,970,149 fully paid–up equity shares amounting to ₹ 6,000 Million (Buyback Size, excluding transaction costs and applicable taxes) at a price of ₹ 1,005 per share from the eligible equity shareholders. The buyback was offered to all eligible equity shareholders including the promoters and promoter group of the Parent on proportionate basis through the "Tender offer" route in accordance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended and other applicable laws. The Buyback period was from February 9, 2024 to March 14, 2024. The Parent has bought back and extinguished 5,970,149 equity shares, comprising of 0.59% of pre-buyback paid up equity share capital of the Parent on March 15, 2024. The buyback resulted in a cash outflow of ₹ 7,250 Million (including applicable taxes and transaction costs). The Parent has utilized its General Reserve and Retained Earnings for Buyback of shares. In accordance with Section 69 of the Companies Act, 2013, the Parent has credited "Capital Redemption Reserve" with an amount of ₹ 6 Million, being amount equivalent to the face value of the Equity Shares bought back as an appropriation from General Reserve.

The Board of Directors of the Parent, at its meeting held on May 20, 2022 had approved a proposal to buyback 11,538,461 fully paid–up equity shares amounting to ₹ 7,500 Million (Buyback Size, excluding transaction costs and applicable taxes) at a price of ₹ 650 per share from the eligible equity shareholders. The buyback was offered to all eligible equity shareholders including the promoters and promoter group of the Parent on proportionate basis through the "Tender offer" route in accordance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended and other applicable laws. The Buyback period was from May 20, 2022 to July 15, 2022 . The Parent had bought back and extinguished 11,538,461 equity shares, comprising of 1.13% of pre-buyback paid up equity share capital of the Parent on July 19, 2022. The buyback resulted in a cash outflow of ₹ 8,632 Million (including applicable taxes and transaction costs). The Parent had utilized its General Reserve for Buyback of shares. In accordance with Section 69 of the Companies Act, 2013, the Parent had credited "Capital Redemption Reserve" with an amount of ₹ 12 Million, being amount equivalent to the face value of the Equity Shares bought back as an appropriation from General Reserve.

Note: 19-Other Equity:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Capital Reserve:		
Balance as per last Balance Sheet	278	278
Add: Adjustment pursuant to BTA (Refer Note-54)	1	-
	279	**278**
Capital Redemption Reserve:		
Balance as per last Balance Sheet	12	-
Add: Transfer from General Reserve pursuant to buyback of shares (Refer Note-18 $)	6	12
	18	**12**
Other Reserves:		
International Business Development Reserve: (*)		
Balance as per last Balance Sheet	2,000	2,000
General Reserve: (**)		
Balance as per last Balance Sheet	7,265	15,897
Less: Utilised for buyback of shares (Refer Note-18 $)	(5,684)	(7,488)
Less: Transferred to Capital Redemption Reserve pursuant to buyback of shares (Refer Note-18 $)	(6)	(12)
Less: Tax and other payments (transaction costs) on buyback of shares (Refer Note-18 $)	(1,203)	(1,132)
	372	**7,265**

Notes to the Consolidated Financial Statements

Note: 19-Other Equity: (Continued)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Fair Value through Other Comprehensive Income (FVTOCI) Reserve: (#)		
Balance as per last Balance Sheet	438	603
(Less): (Debited) during the year	(247)	(165)
	191	**438**
Foreign Currency Translation Reserve:		
Balance as per last Balance Sheet	(7,745)	(4,764)
(Less): Exchange differences on consolidation	(1,516)	(2,981)
	(9,261)	**(7,745)**
Retained Earnings:		
Balance as per last Balance Sheet (^)	171,898	154,958
Add: Profit for the year	38,595	19,603
	210,493	**174,561**
Less: Items of other Comprehensive income recognised directly in Retained Earnings:		
Re-measurement (losses)/ gains on defined benefit plans (net of tax)	(235)	4
Share of Other Comprehensive Income of Joint Ventures (net of tax)	(3)	(2)
Less: Dividend	(6,208)	(2,665)
Less: Tax and other payments (transaction costs) on buyback of shares (Refer Note-18 $)	(357)	-
Balance as at the end of the year (^)	**203,690**	**171,898**
Total	**197,289**	**174,146**

(^) Includes ₹ 8,704 (as at March 31, 2023: ₹ 8,704) Million of Security Premium received by the group on issuance of equity shares by one of the subsidiaries to non-controlling interest holders.

(*) International Business Development Reserve was created pursuant to Composite Scheme of Arrangement approved by the Hon'ble High Court of Gujarat and its utilization shall be as provided in the scheme.

(**) General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.

(#) The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to the Consolidated Financial Statements

Note: 20-Borrowings:

₹ in Million

	Non-current portion		Current Maturities	
	As at March 31		As at March 31	
	2024	2023	2024	2023
A Term Loans from Banks:				
a External Commercial Borrowings (ECB) in Foreign Currency:				
i Unsecured	-	-	-	822
Total	**-**	**-**	**-**	**822**
The above amount includes:				
Secured borrowings	-	-	-	-
Unsecured borrowings	-	-	-	822
Amount disclosed under the head "Borrowings" (Note-24)	-	-	-	(822)
Net amount	**-**	**-**	**-**	**-**

Note: 21-Other Financial Liabilities:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Trade Deposits	413	295
Financial liability related to contingent consideration (Refer Note-55)	10,080	-
Others	49	219
Total	**10,542**	**514**

Note: 22-Provisions:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits	3,097	2,718
Total	**3,097**	**2,718**

Defined benefit plan and long term employment benefit

A General description:

Leave wages (Long term employment benefit):

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance (Cash Accumulation) Scheme by Parent Company and major Indian subsidiaries. The eligible employees of the Group are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised (net of the fair value of plan assets as at the balance sheet date) at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

Gratuity (Defined benefit plan):

The Parent and major Indian subsidiaries have defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

Notes to the Consolidated Financial Statements

Note: 22-Provisions: (Continued)

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

₹ in Million

		As at March 31					
		2024			2023		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
B	**Change in the present value of the defined benefit obligation:**						
	Opening obligation	353	2,806	3,542	340	2,437	3,247
	Discontinued operations	-	-	-	-	-	1
	Transfer in/ (out)	-	10	37	(1)	7	7
	Interest cost	23	182	244	23	151	207
	Current service cost	32	421	389	34	357	361
	Benefits paid	(15)	(385)	(331)	(21)	(351)	(281)
	Actuarial (gains)/ losses on obligation due to:						
	Experience adjustments	(3)	139	213	(99)	64	92
	Change in demographic assumptions	-	4	1	88	216	-
	Change in financial assumptions	3	36	58	(11)	(75)	(92)
	Closing obligation	393	3,213	4,153	353	2,806	3,542
C	**Change in the fair value of plan assets:**						
	Opening fair value of plan assets	-	253	3,016	-	239	2,013
	Transfer in/ (out)	-	-	(6)	-	-	-
	Expected return on plan assets	-	13	217	-	9	134
	Return on plan assets excluding amounts included in interest income	-	-	(24)	-	3	7
	Contributions by employer	-	3	742	-	3	1,142
	Benefits paid	-	-	(328)	-	(1)	(280)
	Actuarial (losses)/ gains	-	-	-	-	-	-
	Closing fair value of plan assets	-	269	3,617	-	253	3,016
	Total actuarial (losses)/ gains to be recognised	-	(179)	(272)	22	(205)	-

Notes to the Consolidated Financial Statements

Note: 22-Provisions: (Continued)

₹ in Million

		As at March 31					
		2024			2023		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
D	**Actual return on plan assets:**						
	Expected return on plan assets	-	13	217	-	9	134
	Actuarial (losses)/ gains on plan assets	-	-	-	-	-	-
	Actual return on plan assets	-	13	217	-	9	134
E	**Amount recognised in the balance sheet:**						
	Liabilities/ (Assets) at the end of the year	393	3,213	4,153	353	2,806	3,542
	Fair value of plan assets at the end of the year	-	(269)	(3,617)	-	(253)	(3,016)
	Difference	393	2,944	536	353	2,553	526
	Unrecognised past service cost	-	-	-	-	-	-
	Liabilities/ (Assets) recognised in the Balance Sheet	393	2,944	536	353	2,553	526
F	**Expenses/ (Incomes) recognised in the Statement of Profit and Loss:**						
	Current service cost	32	421	389	34	357	361
	Interest cost on benefit obligation	23	182	244	23	151	207
	Expected return on plan assets	-	(13)	(217)	-	(9)	(134)
	Return on plan assets excluding amounts included in interest income	-	-	-	-	(3)	-
	Net actuarial (gains)/ losses in the year	-	179	-	(22)	205	-
	Amount included in "Employee Benefits Expense"	55	769	416	35	701	434
	Return on plan assets excluding amounts included in interest income	-	-	24	-	-	(7)
	Net actuarial (gains)/ losses in the year	-	-	272	-	-	-
	Amounts recognized in OCI	-	-	296	-	-	(7)
G	**Movement in net liabilities recognised in Balance Sheet:**						
	Opening net liabilities	353	2,553	526	340	2,198	1,234
	Discontinued operations	-	-	-	-	-	1
	Transfer in/ (out) obligations	-	10	43	(1)	7	7
	Expenses as above (P & L Charge)	55	769	416	35	701	434
	Employer's contribution	-	-	296	-	-	(7)
	Amount recognised in OCI	-	(3)	(742)	-	(3)	(1,142)
	Benefits Paid	(15)	(385)	(3)	(21)	(350)	(1)
	Liabilities/ (Assets) recognised in the Balance Sheet	393	2,944	536	353	2,553	526

Notes to the Consolidated Financial Statements

Note: 22-Provisions: (Continued)

₹ in Million

		As at March 31					
		2024			2023		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
H	**Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:**						
	Discount rate	7.20%	7.20% - 7.25%	7.20% - 7.25%	7.35% - 7.45%	7.35% - 7.45%	7.35% - 7.45%
	(The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations)						
	Annual increase in salary cost	12% for next 2 year, 9% thereafter			12% for next 2 year, 9% thereafter		
	(The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market)						
	Withdrawal rates (p.a.)	40% at younger ages reducing to 1% at older ages			40% at younger ages reducing to 1% at older ages		
	(The estimates of level of attrition is based on broad economic outlook, type of sector the Company operates in and measures taken by the management to retain/ relieve the employees)						
I	**The categories of plan assets (India) as a % of total plan assets are:**						
	Insurance plan	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
	The weighted average duration of defined benefit plan obligation at the end of the year is 5.25 to 8.52 years (as at March 31, 2023 : 5.28 to 8.35 years).						

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumptions is shown below:

₹ in Million

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31					
	2024	2023	2024	2023	2024	2023
Impact on obligation:						
Discount rate increase by 0.5%	(7)	(9)	(77)	(63)	(135)	(110)
Discount rate decrease by 0.5%	14	10	81	69	147	119
Annual salary cost increase by 0.5%	14	10	77	67	140	114
Annual salary cost decrease by 0.5%	(7)	(9)	(75)	(62)	(130)	(107)
Withdrawal rate increase by 10%	(14)	(15)	(49)	(44)	(34)	(27)
Withdrawal rate decrease by 10%	20	16	54	51	38	31

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

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting period)	1,420	1,305
Between 2 and 5 years	3,411	2,896
Between 6 and 10 years	2,841	2,558
Total expected payments	**7,672**	**6,759**

Notes to the Consolidated Financial Statements

Note: 23-Other Non-Current Liabilities:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Deferred Government Subsidy	18	-
Total	**18**	**-**

Note: 24-Borrowings:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Loans repayable on Demand:		
Working Capital Loans from Banks (Secured) (*)	-	-
Working Capital Loans from Banks (Unsecured) (**)	7,686	10,810
Current Maturities of Long Term Debt (Refer Note-20)	-	822
Total	**7,686**	**11,632**

(*) i Working Capital Loans of the Parent, which are repayable on demand, are secured by hypothecation of inventories of all types, save and except stores and spares relating to plant and machineries (consumable stores and spares), including goods in transit, bills receivables and book debts of the Parent. The value of such current assets is ₹ 64,274 (as at March 31, 2023 ₹ 52,877) Million.

(**) i PCFC and Packing Credit loans in ₹ (PCRE) loans of the Parent are payable during April, 2024 to May, 2024. The outstanding amount of loans as at March 31, 2024 is ₹ 6,181 (as at March 31, 2023: ₹ 9,693) Million.

ii Working capital loans of some of the subsidiary companies are repayable on demand. The outstanding amount of loan as at March 31, 2024 is ₹ 1,505 (as at March 31, 2023: ₹ 1,117) Million.

The interest rates on the above loans are in the range of 1 Month Treasury Bill/ 1 Month SOFR plus 10 to 35 bps.

Note: 25-Trade Payables:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Dues to Micro and Small Enterprises	670	377
Dues to other than Micro and Small Enterprises	20,597	20,873
Total	**21,267**	**21,250**

Notes to the Consolidated Financial Statements

Note: 25-Trade Payables: (Continued)

Ageing of Trade Payables :

₹ in Million

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2024						
Undisputed Micro and Small Enterprises (MSME)	665	4	1	-	-	670
Undisputed Others	15,071	5,259	93	86	83	20,592
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	5	5
Total	**15,736**	**5,263**	**94**	**86**	**88**	**21,267**
As at March 31, 2023						
Undisputed MSME	376	1	-	-	-	377
Undisputed Others	15,830	4,830	87	38	85	20,870
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	3	3
Total	**16,206**	**4,831**	**87**	**38**	**88**	**21,250**

Note: 26-Other Financial Liabilities:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	4	2
Book overdraft	177	2
Accrued Expenses	12,698	13,075
Payable for Capital Goods	963	1,210
Unpaid Dividends	46	48
Others	3	2
Total	**13,891**	**14,339**

Note: 27-Other Current Liabilities:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Advances from Customers	726	719
Payable to Statutory Authorities	1,658	1,476
Others	396	510
Total	**2,780**	**2,705**

Notes to the Consolidated Financial Statements

Note: 28-Provisions:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits	1,025	901
Provision for claims for product expiry and return of goods (*)	2,923	2,753
Total	**3,948**	**3,654**
(*) Provision for claims for product expiry and return of goods:		
a Provision for product expiry claims and return of goods in respect of products sold during the year is made based on the management's estimates considering the estimated stock lying with retailers.		
The Group does not expect such claims to be reimbursed by any other party in future.		
b The movement in such provision is stated as under:		
i Carrying amount at the beginning of the year	2,753	2,982
ii Additional (reversal)/ provision made during the year	170	(229)
iii Carrying amount at the end of the year	2,923	2,753

Note: 29-Current Tax Liabilities (Net):

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Provision for Taxation (Net of advance payment of tax) (Refer Note-8 (*))	3,720	1,568
Total	**3,720**	**1,568**

Note: 30-Contingent Liabilities and Commitments (to the extent not provided for):

₹ in Million

	As at March 31, 2024	As at March 31, 2023
A Contingent Liabilities:		
a Claims against the Group not acknowledged as debts	403	395
b In respect of guarantees given by Banks and/ or counter guarantees given	-	8
c Other money for which the Group is contingently liable:		
i In respect of the demands raised by the Goods and Service Tax, Central Excise, State Excise, Customs & Service Tax Authority	1,446	2,536
ii In respect of the demands raised by the Ministry of Chemicals & Fertilizers, Govt. of India under Drug Price Control Order, 1979/ 1995 for difference in actual price and price of respective bulk drug allowed while fixing the price of certain formulations and disputed by the Group, which the Group expects to succeed based on the legal advice	79	86
iii In respect of Income Tax matters pending before appellate authorities	4,094	3,164
iv In respect of Sales Tax matters pending before appellate authorities	999	1,144
v In respect of custom duty liability under EPCG scheme	15	194
vi In respect of letters of credit for Imports	-	76
vii In respect of other matters (Employees Indemnity on retirement/ guaranteed severance package)	496	408

Notes to the Consolidated Financial Statements

Note: 30-Contingent Liabilities and Commitments (to the extent not provided for): (Continued)

B Legal proceedings:

1 In late 2016, a union health and welfare fund filed two actions against one of the subsidiary companies in US (i.e. the Company) and other generic drug companies in the U.S. District Court for the Eastern District of Pennsylvania. These actions alleged conspiracies to fix prices or allocate markets for two drugs (divalproex and pravastatin) in violation of federal and state antitrust laws.

Subsequently, these and the other actions detailed below have been coordinated in a multi-district litigation in the Eastern District of Pennsylvania. Ultimately, putative classes of direct purchasers, end payors, and indirect resellers each filed multiple actions in which the Company is named as one of several defendants: (i) an action alleging a conspiracy to fix prices or allocate markets for pravastatin, (ii) an action to fix prices or allocate markets for divalproex, and (iii) an action alleging both a conspiracy to fix prices or allocate markets for a third drug (acetazolamide) as well as an "overarching," industry-wide conspiracy. In June 2018, Connecticut and other states filed a complaint against the Company and other defendants alleging a number of individual-drug conspiracies (including acetazolamide for the Company) as well as an "overarching" conspiracy. Several opt-out plaintiffs have filed complaint as well, and the claims in these complaints track the claims outlined above. In May 2019, Connecticut and other states filed a second complaint against the Company and other defendants. That complaint alleges a number of individual-drug conspiracies (including eight drugs for the Company) as well as an "overarching" conspiracy. Beginning in October 2019, putative classes of direct purchases, indirect resellers, and end payors as well as several opt-out plaintiffs and a group of New York counties filed additional complaints against the Company and other defendants with substantially similar claims. In October 2019, the Court entered a case management order setting a preliminary schedule and the cases are currently proceeding through fact discovery. No trial dates have been set for the Company. The Company believes it has meritorious defences to these lawsuits.

In late 2019 four cases were filed against the Company in an existing Multi District Litigation (MDL) in Ohio.

In April 2023, 3 additional cases were filed in the Ohio MDL. In April 2023, 35 cases were filed in a New York Coordinated proceedings. The cases are similar, generally alleging that the Company manufactured, marketed and sold opioids and failed to effectively and adequately communicate warnings and risks of opioids use to both prescribers and users. The cases also generally allege the Company failed to report suspicious orders. The lawsuits are seeking relief under several theories, including a theory of public nuisance. The Company believes it has meritorious defenses to these lawsuits.

₹ in Million

		As at March 31, 2024	As at March 31, 2023
C	**Commitments:**		
	a Estimated amount of contracts remaining to be executed on capital account and not provided for	5,239	4,738

Notes to the Consolidated Financial Statements

Note: 31- Leases:

Lessee:

A Relating to statement of financial position:

1 Under Ind AS 116, the Group recognises right to use assets and lease liabilities for most leases; Right of use assets are part of financial statement captions "Property plant and equipment'. Depreciation and impairment is similar to measurement of owned assets.

Lease liabilities are part of financial statement captions "non-current financial liabilities" and "current financial liabilities". Interest is part of financial statement captions " Finance cost".

Right of use assets:	**₹ in Million**			
	Land	**Buildings**	**Vehicles**	**Total**
Balance as at March 31, 2022	**1,701**	**142**	**90**	**1,933**
Additions (Net)	14	86	87	187
Depreciation charge for the year	14	73	62	149
Assets classified as held for sale (Net) (Refer Note-53 B)	(5)	-	-	(5)
Exchange rate impact on translation of foreign operations	(1)	3	13	15
Balance as at March 31, 2023 (Net)	**1,695**	**158**	**128**	**1,981**
Additions (Net)	6	138	59	203
Depreciation charge for the year	15	75	75	165
Assets classified as held for sale (Net) (Refer Note-53 B)	(94)	-	-	(94)
Exchange rate impact on translation of foreign operations	-	-	7	7
Balance as at March 31, 2024 (Net)	**1,592**	**221**	**119**	**1,932**

The Group leases assets which include office buildings, warehouse spaces and vehicles.

2 Movement in lease liabilities:

₹ in Million

	As at March 31, 2024	**As at March 31, 2023**
Lease liability at the beginning of the year	317	249
Additions	222	208
Redemptions	(180)	(130)
Other adjustments	(3)	(10)
Lease liability at end of the year	356	317
of which:		
Current portion	105	119
Non current portion	251	198

Notes to the Consolidated Financial Statements

Note: 31- Leases: (Continued)

2.1 Maturity analysis of lease liabilities:

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

₹ in Million

Minimum lease payments due	As at March 31, 2024	As at March 31, 2023
Within 1 year	105	119
1-5 years	241	182
Above 5 year	10	16

Lessor:

The Group leases out certain properties and classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

₹ in Million

Lease payments due to be received:	As at March 31, 2024	As at March 31, 2023
Within 1 year	38	27
1-5 years	55	78
Above 5 year	-	-
Total undiscounted lease payments	**93**	**105**

Description of lease activities:

Real estate lease:

The Group leases buildings for offices and warehouse space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically made for a fixed period of 3- 5 years and may include extension options which provide operational flexibility. Majority of the leases are cancellable by either parties by serving notice period.

Note: 32-Dividend proposed to be distributed:

The Board of Directors of the Parent, at its meeting held on May 17, 2024, recommended the final dividend of ₹ 3/- per equity share of ₹ 1/- each. The recommended dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

Notes to the Consolidated Financial Statements

Note: 33-Revenue from Operations:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of Products	190,215	168,778
Other Operating Revenues:		
Production Linked Incentive income (*)	2,172	1,351
Export Incentives	796	517
Miscellaneous Income	2,291	1,728
	5,259	**3,596**
Total	**195,474**	**172,374**
(*) The Group is eligible for claiming benefits under the Production Linked Incentive (PLI) Scheme of the Government of India. Based on the estimated claims to be submitted by the Group, the Group has recognised the PLI income.		
Pursuant to Ind AS 115 "Revenue from Contracts with Customers" reconciliation of revenue recognised in the statement of profit and loss with the contracted price is under:		
Revenue as per contracted price	374,635	336,082
Less:		
Provision for Expiry and Sales Return	(2,233)	(2,239)
Discounts/ Chargeback/ Price Reduction/ Rebates	(181,586)	(164,502)
Others	(601)	(563)
	(184,420)	(167,304)
Revenue from contract with customers	**190,215**	**168,778**

Note: 34-Other Income:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	1,268	757
Net Gain on Forward Contract	-	258
Gain/ (Loss) on valuation of Forward Contract value related to investment in a Joint Venture mandatorily measured at FVTPL	976	113
	2,244	**1,128**
Dividend Income:		
From Investments designated as at FVTOCI	13	11
Gain on Investments mandatorily measured at FVTPL	409	483
Net Gain on sale of Property, Plant and Equipment (Net of loss)	134	208
Other Non-operating Income	41	36
Total	**2,841**	**1,866**

Notes to the Consolidated Financial Statements

Note: 35-Cost of Materials Consumed:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Raw Materials:		
Stock at commencement	11,794	11,496
Add: Acquired subsidiaries (Refer Note-55)	104	-
Add: Purchases	34,438	31,780
	46,336	**43,276**
Less: Stock at close	10,212	11,794
	36,124	**31,482**
Packing Materials consumed	9,681	9,744
Total	**45,805**	**41,226**

Note: 36-Purchases of Stock-in-Trade:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Purchases of Stock-in-Trade	18,979	19,494
Total	**18,979**	**19,494**

Note: 37-Changes in Inventories:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Stock at commencement:		
Work-in-progress	4,597	3,839
Finished Goods	6,783	8,627
Stock-in-Trade	8,676	9,971
	20,056	**22,437**
Less: Stock at close:		
Work-in-progress	6,055	4,597
Finished Goods	6,742	6,783
Stock-in-Trade	9,761	8,676
	22,558	**20,056**
Total	**(2,502)**	**2,381**

Notes to the Consolidated Financial Statements

Note: 38-Employee Benefits Expense:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	28,447	25,088
Contribution to provident and other funds	2,139	1,848
Staff welfare expenses	790	720
Total	**31,376**	**27,656**
Above expenses include:		
Research related expenses:		
Salaries and wages	2,926	2,601
Contribution to provident and other funds	204	169
Staff welfare expenses	56	59
Total	**3,186**	**2,829**
Managing Directors' Remuneration	300	263

Note: 39-Finance Cost:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense (*)	440	1,255
Change in financial liability related to contingent consideration (Refer Note-55)	316	-
Net Gain on foreign currency transactions and translation	4	1
Bank commission & charges	52	43
Total	**812**	**1,299**
(*) The break up of interest expense into major heads is given below:		
On term loans	8	294
On working capital loans	292	762
On lease liabilities	25	35
Others	115	164
Total	**440**	**1,255**

Note: 40-Depreciation and Amortisation expense:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expenses	6,349	6,156
Amortisation expense	1,292	1,071
Total	**7,641**	**7,227**

Notes to the Consolidated Financial Statements

Note: 41-Other Expenses:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Research Materials	1,558	1,358
Analytical Expenses	2,724	2,270
Consumption of Stores and spare parts	2,722	2,488
Power & fuel	3,848	3,616
Rent	261	229
Repairs to Buildings	294	260
Repairs to Plant and Machinery	977	946
Repairs to Others	384	400
Insurance	1,091	997
Rates and Taxes (excluding taxes on income)	427	339
Processing Charges	908	628
Commission to Directors	23	19
Traveling Expenses	1,702	1,344
Legal and Professional Fees	4,085	4,832
Advertisement Expenses	2,957	2,573
Commission on sales	1,789	1,535
Freight and forwarding on sales	3,974	4,274
Representative Allowances	1,421	1,174
Other marketing expenses	7,860	7,190
Allowances of credit losses:		
Trade receivables written off	3	1
Expected credit loss	243	50
	246	**51**
Less: Transferred from balance of expected credit loss	(40)	(34)
	206	**17**
Allowances for Doubtful Advances:		
Doubtful advances written off	-	20
Allowances for credit impaired	31	-
	31	**20**
Less: Transferred from balance of allowances for credit impaired	(3)	(2)
	28	**18**
Directors' fees	16	19
Donations	688	289
Miscellaneous Expenses	8,840	9,047
Total	**48,783**	**45,862**

Notes to the Consolidated Financial Statements

Note: 41-Other Expenses : (Continued)

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Above expenses include Research related expenses as follows:		
Research Materials	1,558	1,310
Analytical expenses	2,509	2,021
Consumption of Stores and spare parts	495	503
Power & Fuel	185	181
Repairs to Buildings	26	33
Repairs to Plant and Machinery	146	175
Repairs to Others	12	17
Insurance	27	19
Traveling Expenses	129	63
Legal and Professional fees	1,499	1,757
Net Loss on disposal of Property, Plant and Equipment	5	32
Miscellaneous Expenses (excluding Depreciation)	3,302	3,423
Total	**9,893**	**9,534**
Research related Net Loss on foreign currency transactions and translation	17	27

Note: 42-Tax Expenses:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
The major components of income tax expense are:		
A Statement of profit and loss:		
Profit or loss section- Continuing operations:		
Current income tax:		
Current income tax charge	14,984	6,936
Adjustments in respect of current income tax of previous years	(58)	(32)
	14,926	**6,904**
Deferred tax:		
Relating to origination and reversal of temporary differences	(5,151)	(1,026)
Discontinued operations:		
Current income tax	62	(24)
Deferred tax	-	-
	62	**(24)**
Tax expense reported in profit or loss	**9,837**	**5,854**
OCI Section:		
Tax related to items recognised in OCI during in the year:		
Net loss on remeasurements of defined benefit plans	61	(3)
Tax charged to OCI	**61**	**(3)**

Notes to the Consolidated Financial Statements

Note: 42-Tax Expenses: (Continued)

₹ in Million

		Year ended March 31, 2024	Year ended March 31, 2023
B	**Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:**		
	Profit before tax from continuing operations	48,089	25,897
	Profit before tax from discontinued operations	292	(70)
	Profit before tax	48,381	25,827
	Enacted Tax Rate in India (%) [Refer Note 8 (*)]	25.17%	34.94%
	Expected Tax Expenses	12,177	9,024
	Adjustments for:		
	Tax effect due to non-taxable income for Indian tax purposes	(93)	(1,242)
	Effect of unrecognized/ excess deferred tax assets / liabilities	(343)	338
	Effect of non-deductible expenses/ losses	117	3,009
	Effect of additional deductions in taxable income	(1,928)	(3,276)
	Effect of difference between Indian and Foreign tax rates [including impact of different tax rate in India]	1,053	(662)
	Effect of MAT Credit utilised on which deferred tax asset is not created	-	(1,013)
	Effect of MAT Credit recognized	(591)	(379)
	Remeasurement of opening balances of Deferred Tax Assets and Liabilities due to tax rate change by the Parent [Refer Note 8 (*)]	(498)	-
	Others	(57)	55
	Total	**(2,340)**	**(3,170)**
	Tax Expenses as per Statement of profit and loss	**9,837**	**5,854**

Note: 43-Calculation of Earnings per Equity Share [EPS]:

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

			Year ended March 31, 2024	Year ended March 31, 2023
Continuing Operations:				
A	Profit attributable to Shareholders	₹ in Million	38,365	19,649
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,011,926,837	1,015,649,871
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	37.91	19.35
Discontinued Operations:				
A	Profit/ (Loss) attributable to Shareholders	₹ in Million	230	(46)
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,011,926,837	1,015,649,871
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	0.23	(0.05)
Continuing & Discontinued Operations:				
A	Profit attributable to Shareholders	₹ in Million	38,595	19,603
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,011,926,837	1,015,649,871
C	Nominal value of equity share	₹	1	1
D	Basic & Diluted EPS	₹	38.14	19.30

Notes to the Consolidated Financial Statements

Note: 44-Segment Information:

A The Chief Operating Decision Maker (CODM) reviews the Group as "Pharmaceuticals" and "Consumer Products" segments.

The CODM reviews revenue, results, total assets and total liabilities as the performance indicator of an operating segment.

1 Pharmaceuticals:

This segment represents the business of integrated pharmaceutical operations with business encompassing the entire value chain in the research, development, production, marketing and distribution of pharmaceutical products. The product portfolio of the Group includes Active Pharmaceutical Ingredients (API), human formulations and animal health & veterinary.

2 Consumer products:

This segment represents the business of development, production, marketing and distribution of differentiated health and wellness products.

₹ in Million

			Year ended March 31, 2024	Year ended March 31, 2023
a	**Segment revenue:**			
	i	Pharmaceuticals	172,354	149,926
	ii	Consumer Products	23,120	22,448
	iii	**Total revenue from operations**	**195,474**	**172,374**
b	**Segment results:**			
	i	Pharmaceuticals	45,568	28,930
	ii	Consumer Products	2,663	3,009
	iii	**Total profit before exceptional items and tax**	**48,231**	**31,939**
c	**Segment assets:**			
	i	Pharmaceuticals	231,348	199,233
	ii	Consumer Products	61,460	58,331
	iii	**Total assets**	**292,808**	**257,564**
d	**Segment liabilities:**			
	i	Pharmaceuticals	65,745	56,532
	ii	Consumer Products	6,047	4,149
	iii	**Total liabilities**	**71,792**	**60,681**
B	**Geographical market:**			
	a	**Revenue (*):**		
		i India	80,154	76,399
		ii US	87,753	74,868
		iii Others	27,567	21,107
		iv Total	**195,474**	**172,374**
	b	**Non-current operating assets (**):**		
		i India	139,138	118,492
		ii US	3,921	3,560
		iii Others	4,859	5,164
		iv Total	**147,918**	**127,216**
C	Revenues derived from single external customer which amount to 10% or more of the Group's revenue		21,939	22,994

(*) The revenue information above is based on the locations of the customers.

(**) Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, goodwill, intangible assets and intangible assets under development.

Notes to the Consolidated Financial Statements

Note: 45-Group information:

Consolidated Financial Statements as at March 31, 2024 comprise the Financial Statements [FS] of Zydus Lifesciences Limited [ZLL] and its subsidiaries as well as its interest in Joint Ventures, which are as under:

No.	Name	Principal activities	Country of incorp-oration	Status of FS at March 31, 2024	% equity Interest as at March 31	
					2024	2023
A	**Indian subsidiaries:**					
1	Zydus Healthcare Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
2	German Remedies Pharmaceuticals Private Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
3	Zydus Wellness Limited	Consumer Health & Wellness	India	Audited	57.59	57.59
4	Zydus Wellness Products Limited	Consumer Health & Wellness	India	Audited	57.59	57.59
5	Liva Investment Limited	Investment	India	Audited	57.59	57.59
6	Liva Nutritions Limited	Consumer Health & Wellness	India	Audited	57.59	57.59
7	Zydus Animal Health and Investments Limited	Animal Health and Veterinary	India	Audited	100.00	100.00
8	Dialforhealth Greencross Limited	Retail Pharmacy	India	Audited	100.00	100.00
9	Dialforhealth Unity Limited	Retail Pharmacy	India	Audited	55.00	55.00
10	Violio Healthcare Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
11	Zydus Pharmaceuticals Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
12	Biochem Pharmaceutical Private Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
13	Zydus Strategic Investments Limited	Investment	India	Audited	100.00	100.00
14	Zydus VTEC Limited	Human Pharmaceutical Formulations	India	Audited	100.00	100.00
15	LM Manufacturing India Private Limited	Human Pharmaceutical Formulations	India	Unaudited	100.00	Note-1
B	**Foreign subsidiaries:**					
1	Zydus Lanka (Private) Limited	Human Pharmaceutical Formulations	Sri Lanka	Unaudited	100.00	100.00
2	Zydus International Private Limited	Investment and Holding	Ireland	Unaudited	100.00	100.00
3	Zydus Netherlands B.V.	Investment and Holding	Netherlands	Unaudited	100.00	100.00
4	Zydus France, SAS	Human Pharmaceutical Formulations	France	Unaudited	100.00	100.00
5	Laboratorios Combix S.L.	Human Pharmaceutical Formulations	Spain	Unaudited	100.00	100.00
6	Etna Biotech S.R.L.	Research and Development	Italy	Unaudited	100.00	100.00

Notes to the Consolidated Financial Statements

Note: 45-Group information: (Continued)

No.	Name	Principal activities	Country of incorp-oration	Status of FS at March 31, 2024	% equity Interest as at March 31	
					2024	2023
7	Zydus Healthcare (USA) LLC	Human Pharmaceutical Formulations	U. S. A.	Unaudited	100.00	100.00
8	Zydus Pharmaceuticals (USA) Inc.	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
9	Nesher Pharmaceuticals (USA) LLC	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
10	ZyVet Animal Health Inc.	Animal Health and Veterinary	U. S. A.	Audited	100.00	100.00
11	Sentynl Therapeutics, Inc.	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
12	Zydus Noveltech Inc. *	Human Pharmaceutical Formulations	U. S. A.	N. A.	100.00	100.00
13	Hercon Pharmaceuticals, LLC **	Human Pharmaceutical Formulations	U. S. A.	N. A.	100.00	100.00
14	Viona Pharmaceuticals Inc.	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
15	Zydus Therapeutics Inc.	Human Pharmaceutical Formulations	U. S. A.	Audited	100.00	100.00
16	Zynext Ventures USA LLC	Investment and Holding	U. S. A.	Unaudited	100.00	100.00
17	Zydus Pharmaceuticals UK Limited	Investment and Holding	U.K	Unaudited	100.00	100.00
18	LM Manufacturing Limited	Human Pharmaceutical Formulations	U.K.	Unaudited	100.00	Note-1
19	Medsolutions (Europe) Limited	Human Pharmaceutical Formulations	U.K.	Unaudited	100.00	Note-1
20	LiqMeds Worldwide Limited	Human Pharmaceutical Formulations	U.K.	Unaudited	100.00	Note-1
21	LiqMeds Limited	Human Pharmaceutical Formulations	U.K.	Unaudited	100.00	Note-1
22	LiqMeds Lifecare Limited	Human Pharmaceutical Formulations	U.K.	Unaudited	100.00	Note-1
23	Zynext Ventures PTE. LTD.	Investment and Holding	Singapore	Unaudited	100.00	100.00
24	Zydus Pharmaceuticals (Canada) Inc.	Human Pharmaceutical Formulations	Canada	Unaudited	100.00	Note-2
25	Zydus Worldwide DMCC	Human Pharmaceutical Formulations	U. A. E.	Audited	100.00	100.00
26	Zydus Lifesciences Global FZE	Human Pharmaceutical Formulations	U. A. E.	Audited	100.00	Note-3
27	Zydus Wellness International DMCC	Consumer Health & Wellness	U. A. E.	Audited	57.59	57.59

Notes to the Consolidated Financial Statements

Note: 45-Group information: (Continued)

No.	Name	Principal activities	Country of incorp-oration	Status of FS at March 31, 2024	% equity Interest as at March 31 2024	2023
28	Zydus Wellness (BD) Private Limited	Consumer Health & Wellness	Bangladesh	Audited	57.59	57.59
29	Zydus Nikkho Farmaceutica Ltda.	Human Pharmaceutical Formulations	Brazil	Audited	100.00	100.00
30	Zydus Healthcare SA (Pty) Ltd.	Human Pharmaceutical Formulations	South Africa	Audited	100.00	100.00
31	Alidac Pharmaceuticals SA Pty. Ltd. (Formerly known as Simayla Pharmaceuticals (Pty) Ltd)	Human Pharmaceutical Formulations	South Africa	Unaudited	100.00	100.00
32	Script Management Services (Pty) Ltd.	Human Pharmaceutical Formulations	South Africa	Unaudited	100.00	100.00
33	Zydus Healthcare Philippines Inc.	Human Pharmaceutical Formulations	Philippines	Unaudited	100.00	100.00
34	Alidac Healthcare (Myanmar) Limited	Human Pharmaceutical Formulations	Myanmar	Unaudited	100.00	100.00
35	Zydus Pharmaceuticals Mexico SA De C.V.	Human Pharmaceutical Formulations	Mexico	Audited	100.00	100.00
36	Zydus Pharmaceuticals Mexico Service Company SA De C.V.	Manpower Supply & Administration	Mexico	Unaudited	100.00	100.00
C	**Partnership firm:**					
1	M/s. Recon Pharmaceuticals and Investments	Human Pharmaceutical Formulations and Investments	India	Audited	100.00	100.00
D	**Joint Ventures:**					
1	Zydus Takeda Healthcare Private Limited	Active Pharmaceuticals Ingredients	India	Audited	50.00	50.00
2	Zydus Hospira Oncology Private Limited	Human Pharmaceutical Formulations	India	Unaudited	50.00	50.00
3	Bayer Zydus Pharma Private Limited	Human Pharmaceutical Formulations	India	Audited	24.999998	24.999998
4	Oncosol Limited	Human Pharmaceutical Formulations	U.K	Unaudited	50.00	Note-1

Notes:

1 The Group has acquired LM Manufacturing India Private Limited, LM Manufacturing Limited, Medsolutions (Europe) Limited, LiqMeds Worldwide Limited, LiqMeds Limited, LiqMeds Lifecare Limited and Oncosol Limited on November 6, 2023 [Refer Note-55].

2 The Group has incorporated Zydus Pharmaceuticals (Canada) Inc. in Canada on September 6, 2023.

3 The Group has incorporated Zydus Lifesciences Global FZE in U.A.E on February 20, 2024.

* Zydus Noveltech Inc. is dissolved w.e.f. December 15, 2023.

** Hercon Pharmaceuticals, LLC is dissolved w.e.f. May 24, 2023.

Notes to the Consolidated Financial Statements

Note: 46-Statutory Group Information:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	As at and for the year ended March 31, 2024							
	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consolidated Net Assets	₹ in Million	As % of Consolidated Profit / (Loss)	₹ in Million	As % of Consolidated other Comprehensive income	₹ in Million	As % of total Comprehensive income	₹ in Million
Parent:								
Zydus Lifesciences Limited	79.26	157,165	89.17	34,415	16.09	(322)	93.17	34,093
Subsidiaries:								
Indian:								
Zydus Healthcare Limited	27.30	54,140	22.07	8,518	7.79	(156)	22.85	8,362
German Remedies Pharmaceuticals Private Limited	1.38	2,736	1.30	501	(2.08)	3	3.32	504
Zydus Wellness Limited	29.59	40,359	2.21	337	2.39	(3)	2.21	334
Zydus Wellness Products Limited	18.58	25,348	(5.82)	(890)	(1.70)	2	(5.86)	(888)
Liva Investment Limited	0.00	2	0.00	0	-	-	0.00	0
Liva Nutritions Limited	0.02	24	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Animal Health and Investments Limited	19.17	26,141	9.45	1,444	0.89	(1)	9.52	1,443
Dialforhealth Unity Limited	(0.00)	(3)	(0.00)	(0)	-	-	(0.00)	(0)
Dialforhealth Greencross Limited	0.00	0	0.00	0	-	-	0.00	0
Violio Healthcare Limited	0.00	0	-	-	-	-	-	-
Zydus Pharmaceuticals Limited	4.68	6,377	(1.39)	(212)	0.87	(1)	(1.41)	(214)
Biochem Pharmaceutical Private Limited	0.00	0	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Strategic Investments Limited	0.01	11	0.00	0	-	-	0.00	0
Zydus VTEC Limited	1.89	2,578	(2.81)	(430)	-	-	(2.84)	(430)
LM Manufacturing India Private Limited	0.01	17	0.07	11	-	-	0.07	11
Recon Pharmaceuticals and Investments	0.66	907	0.01	1	-	-	0.01	1
Foreign:								
Zydus Lanka (Private) Limited	0.02	25	0.08	13	-	-	0.08	13
Zydus International Private Limited	4.71	6,425	2.11	322	-	-	2.13	322
Zydus Netherlands B.V.	5.74	7,833	(0.41)	(62)	-	-	(0.41)	(62)
Zydus France, SAS	(0.06)	(83)	(0.95)	(146)	-	-	(0.96)	(146)
Laboratorios Combix S.L.	0.23	317	0.47	72	-	-	0.47	72
Etna Biotech S.R.L.	(0.10)	(142)	(0.27)	(41)	-	-	(0.27)	(41)
Zydus Healthcare (USA) LLC	0.03	44	0.00	1	-	-	0.00	1
Zydus Pharmaceuticals (USA) Inc.	14.84	20,235	12.20	1,865	-	-	12.31	1,865

Notes to the Consolidated Financial Statements

Note: 46-Statutory Group Information: (Continued)

	As at and for the year ended March 31, 2024							
	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consoli-dated Net Assets	₹ in Million	As % of Consoli-dated Profit / (Loss)	₹ in Million	As % of Consoli-dated other Compre-hensive income	₹ in Million	As % of total Compr-hensive income	₹ in Million
Nesher Pharmaceuticals (USA) LLC	(0.00)	(2)	1.92	293	-	-	1.94	293
ZyVet Animal Health Inc.	(0.16)	(218)	0.06	9	-	-	0.06	9
Sentynl Therapeutics, Inc.	(3.88)	(5,296)	(12.33)	(1,886)	-	-	(12.45)	(1,886)
Zydus Noveltech Inc.	-	-	0.04	5	-	-	0.04	5
Hercon Pharmaceuticals, LLC	-	-	(0.00)	(0)	-	-	(0.00)	(0)
Viona Pharmaceuticals INC	0.01	8	0.16	25	-	-	0.17	25
Zydus Therapeutics Inc.	(2.68)	(3,658)	(17.02)	(2,602)	-	-	(17.17)	(2,602)
Zynext Ventures USA LLC, USA	0.00	5	(0.09)	(14)	-	-	(0.09)	(14)
Zydus Pharmaceuticals UK Limited	5.20	7,094	(1.74)	(265)	-	-	(1.75)	(265)
LM Manufacturing Limited	(0.98)	(1,334)	(0.45)	(68)	-	-	(0.45)	(68)
Medsolutions (Europe) Limited	0.01	8	0.15	22	-	-	0.15	22
LiqMeds Worldwide Limited	0.16	212	0.92	141	-	-	0.93	141
LiqMeds Limited	(0.34)	(458)	0.44	68	-	-	0.45	68
LiqMeds Lifecare Limited	0.01	10	(0.20)	(31)	-	-	(0.20)	(31)
Zynext Ventures PTE. LTD.	0.01	20	(0.00)	(1)	-	-	(0.00)	(1)
Zydus Pharmaceuticals (Canada) Inc.	(0.00)	(5)	(0.03)	(5)	-	-	(0.03)	(5)
Zydus Wellness BD Private Limited	0.01	17	(0.05)	(8)	(0.19)	0	(0.05)	(8)
Zydus Worldwide DMCC	15.91	21,703	191.84	29,336	0.26	(0)	193.62	29,335
Zydus Lifesciences Global FZE	7.29	9,947	(0.52)	(80)	-	-	(0.53)	(80)
Zydus Wellness International DMCC	(0.07)	(89)	(0.45)	(69)	0.13	(0)	(0.45)	(69)
Zydus Nikkho Farmaceutica Ltda.	1.21	1,657	(4.13)	(632)	-	-	(4.17)	(632)
Zydus Healthcare SA (Pty) Ltd.	0.47	641	(0.04)	(6)	-	-	(0.04)	(6)
Alidac Pharmaceuticals SA Pty. Ltd.	(0.33)	(447)	(0.00)	(0)	-	-	(0.00)	(0)
Script Management Services (Pty) Ltd.	0.00	3	0.00	0	-	-	0.00	0
Zydus Healthcare Philippines Inc.	0.41	554	0.30	46	1.81	(3)	0.29	43
Alidac Healthcare (Myanmar) Limited	0.39	536	(2.02)	(308)	-	-	(2.03)	(308)
Zydus Pharmaceuticals Mexico SA De C.V.	(0.07)	(145)	0.33	127	0.06	(1)	0.34	126
Zydus Pharmaceuticals Mexico Service Company SA De C.V.	(0.00)	(4)	0.00	0	-	-	0.00	0
Minority Interests in all subsidiaries	**(16.66)**	**(22,721)**	**(7.41)**	**(1,133)**	**-**	**-**	**(7.48)**	**(1,133)**
Share of Joint Ventures (as per equity method)	**-**		**7.74**	**1,184**	**2.13**	**(3)**	**7.79**	**1,181**
Total Eliminations/ Consolidation Adjustments	**(117.45)**	**(160,199)**	**(204.50)**	**(31,273)**	**1,074.89**	**(1,516)**	**(216.41)**	**(32,788)**
Grand Total	**96.43**	**198,295**	**80.39**	**38,595**	**1,103.34**	**(2,001)**	**76.85**	**36,594**

Notes to the Consolidated Financial Statements

Note: 46-Statutory Group Information: (Continued)

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	As at and for the year ended March 31, 2023							
	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consolidated Net Assets	₹ in Million	As % of Consolidated Profit / (Loss)	₹ in Million	As % of Consolidated other Comprehensive income	₹ in Million	As % of total Comprhensive income	₹ in Million
Parent:								
Zydus Lifesciences Limited	77.87	136,394	78.01	15,292	4.48	(141)	92.05	15,151
Subsidiaries:								
Indian:								
Zydus Healthcare Limited	29.04	50,858	37.20	7,292	0.59	(18)	44.19	7,274
German Remedies Pharmaceuticals Private Limited	1.27	2,233	1.98	387	0.02	(0)	2.35	387
Zydus Wellness Limited	23.03	40,343	3.39	664	0.16	(5)	4.01	659
Zydus Wellness Products Limited	14.98	26,235	(4.19)	(822)	(0.14)	4	(4.97)	(818)
Liva Investment Limited	0.00	2	0.00	0	-	-	0.00	0
Liva Nutritions Limited	0.01	24	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Animal Health and Investments Limited	14.10	24,698	3.34	654	(0.00)	0	3.97	654
Dialforhealth Unity Limited	0.00	0	(0.00)	(0)	-	-	(0.00)	(0)
Dialforhealth Greencross Limited	(0.00)	(3)	(0.00)	(0)	-	-	(0.00)	(0)
Violio Healthcare Limited	0.00	0	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Pharmaceuticals Limited	(0.01)	(9)	(0.60)	(117)	0.11	(4)	(0.73)	(121)
Biochem Pharmaceutical Private Limited	0.00	0	(0.00)	(0)	-	-	(0.00)	(0)
Zydus Strategic Investments Limited	0.01	10	0.00	0	-	-	0.00	0
Zydus VTEC Limited	0.01	18	(0.13)	(26)	-	-	(0.16)	(26)
Recon Pharmaceuticals and Investments	0.83	1,454	0.01	1	-	-	0.01	1
Foreign:								
Zydus Lanka (Private) Limited	0.01	10	(0.00)	(1)	-	-	(0.00)	(1)
Zydus International Private Limited	3.45	6,040	1.18	232	-	-	1.41	232
Zydus Netherlands B.V.	4.46	7,815	(0.05)	(10)	-	-	(0.06)	(10)
Zydus France, SAS	0.04	70	(0.67)	(131)	-	-	(0.79)	(131)
Laboratorios Combix S.L.	0.14	246	0.10	20	-	-	0.12	20
Etna Biotech S.R.L.	(0.06)	(99)	(0.14)	(27)	-	-	(0.17)	(27)

Notes to the Consolidated Financial Statements

Note: 46-Statutory Group Information: (Continued)

	As at and for the year ended March 31, 2023							
	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consolidated Net Assets	₹ in Million	As % of Consolidated Profit / (Loss)	₹ in Million	As % of Consolidated other Comprehensive income	₹ in Million	As % of total Comprhensive income	₹ in Million
Zydus Healthcare (USA) LLC	0.03	44	0.01	3	-	-	0.02	3
Zydus Pharmaceuticals (USA) Inc.	10.49	18,376	13.19	2,586	-	-	15.71	2,586
Nesher Pharmaceuticals (USA) LLC	(5.30)	(9,292)	(0.58)	(113)	-	-	(0.69)	(113)
ZyVet Animal Health Inc.	(0.13)	(222)	(0.45)	(89)	-	-	(0.54)	(89)
Sentynl Therapeutics, Inc	(1.91)	(3,344)	(36.04)	(7,065)	-	-	(42.93)	(7,065)
Zydus Noveltech Inc.	2.05	3,587	0.01	2	-	-	0.01	2
Hercon Pharmaceuticals, LLC	0.19	338	0.27	53	-	-	0.32	53
Viona Pharmaceuticals INC	(0.00)	(9)	0.26	52	-	-	0.31	52
Zydus Therapeutics Inc.	(0.58)	(1,022)	(8.20)	(1,607)	-	-	(9.76)	(1,607)
Zydus Wellness BD Private Limited	0.01	26	(0.04)	(7)	-	-	(0.04)	(7)
Zydus Worldwide DMCC	(4.42)	(7,744)	(2.17)	(426)	(0.01)	0	(2.59)	(426)
Zydus Wellness International DMCC	(0.01)	(19)	(0.51)	(100)	(0.01)	0	(0.61)	(100)
Zydus Nikkho Farmaceutica Ltda.	0.84	1,466	(1.69)	(332)	-	-	(2.02)	(332)
Zydus Healthcare SA (Pty) Ltd.	0.38	666	(0.02)	(4)	-	-	(0.02)	(4)
Alidac Pharmaceuticals SA Pty. Ltd.	(0.27)	(469)	(0.00)	(0)	-	-	(0.00)	(0)
Script Management Services (Pty) Ltd.	0.00	3	0.00	0	-	-	0.00	0
Zydus Healthcare Philippines Inc.	0.30	517	0.11	21	(0.06)	2	0.14	23
Alidac Healthcare (Myanmar) Limited	0.76	1,328	1.11	217	-	-	1.32	217
Zydus Pharmaceuticals Mexico SA De C.V.	(0.13)	(227)	0.54	106	(0.01)	0	0.65	107
Zydus Pharmaceuticals Mexico Service Company SA De C.V.	(0.00)	(4)	0.00	1	-	-	0.00	1
Minority Interests in all subsidiaries	**(12.40)**	**(21,725)**	**(6.71)**	**(1,316)**	**-**	**-**	**(8.00)**	**(1,316)**
Share of Joint Ventures (as per equity method)	**-**	**-**	**4.83**	**946**	**0.06**	**(2)**	**5.74**	**944**
Total Eliminations/ Consolidation Adjustments	**(59.07)**	**(103,458)**	**16.67**	**3,267**	**94.81**	**(2,981)**	**1.74**	**286**
Grand Total	**100.00**	**175,158**	**100.00**	**19,603**	**100.00**	**(3,144)**	**100.00**	**16,459**

Notes to the Consolidated Financial Statements

Note: 47-Related Party Transactions:

A	**Name of the Related Parties and Nature of the Related Party Relationship:**		
	a	**Entity having control over the Parent :**	Zydus Family Trust (Holding 74.96 % in the Parent)
	b	**Subsidiary Company:**	
		Zydus Foundation - Refer Note-5 (^)	
	c	**Joint Venture Companies:**	
		Zydus Hospira Oncology Private Limited	Bayer Zydus Pharma Private Limited
		Zydus Takeda Healthcare Private Limited	Oncosol Limited
	d	**Key Managerial Personnel:**	
		Mr. Pankaj R. Patel	Non-Executive Chairman
		Dr. Sharvil P. Patel	Managing Director & son of Chairman
		Mr. Ganesh N. Nayak	Executive Director
		Mr. Mukesh M. Patel	Non-Executive Director
		Mr. Apurva S. Diwanji	Independent Director
		Mr. Nitin R. Desai	Independent Director
		Ms. Dharmishtaben N. Raval	Independent Director
		Mr. Bhadresh K. Shah	Independent Director
		Mr. Akhil Monappa	Independent Director
		Ms. Upasana Konidela	Independent Director
		Mr. Nitin D. Parekh	Executive Officer (Chief Financial Officer)
		Mr. Dhaval N. Soni	Executive Officer (Company Secretary)
	e	**Enterprises significantly influenced by Directors and/or their relatives with whom transactions have taken place:**	
		Cadmach Machinery Company Private Limited	Cadila Laboratories Private Limited
		Zydus Hospitals and Healthcare Research Private Limited	Mukesh M. Patel & Co.
		Aleta Hospitals LLP	M/s. International Tax and Investments Consultants
		Zydus Infrastructure Private Limited	Oneiro Chemicals Private Limited
		Sahyadri Hospitals Private Limited	TUV India Private Limited
		Vitely Bio LLP	Apollo Healthco Limited
		Ramanbhai Foundation	
	f	**Post Employment Benefits Plans with whom transactions have taken place:**	
		Cadila Healthcare Limited Employees Group Gratuity Scheme	Zydus Wellness Sikkim Employees Group Gratuity Scheme
		Cadila Healthcare Ltd. Managerial Cadre EPF	Heinz India Private Limited Provident Fund
		Zydus Healthcare Limited Employees Group Gratuity Scheme	Heinz India Private Limited Employee Provident Fund
		Zydus Wellness Limited Employees Group Gratuity Scheme	Heinz India Private Limited Pension Fund

Notes to the Consolidated Financial Statements

Note: 47-Related Party Transactions: (Continued)

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

a Details relating to parties referred to in Note-47-A (a & b)

Nature of Transactions	Value of the Transactions (₹ in Million)			
	Entity having control over the Parent		Subsidiary Companies	
	Year ended March 31			
	2024	2023	2024	2023
Dividend Paid				
Zydus Family Trust	4,583	1,921	-	-
CSR Expenses:				
Zydus Foundation	-	-	52	102
Advance CSR contribution:				
Zydus Foundation	-	-	-	15
Interest Income:				
Zydus Foundation	-	-	1	2
Redemption of Investment:				
Zydus Foundation	-	-	550	400

b Details relating to parties referred to in Note-47-A (c & e)

Nature of Transactions	Value of the Transactions (₹ in Million)			
	Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31			
	2024	2023	2024	2023
Purchases:				
Goods:				
Zydus Hospira Oncology Private Limited	98	145	-	-
Oneiro Chemicals Private Limited	-	-	526	549
Others	-	-	11	6
Total	**98**	**145**	**537**	**555**
Property, Plant and Equipment:				
Cadmach Machinery Company Private Limited	-	-	13	2
Others	-	-	-	42
Total	**-**	**-**	**13**	**44**
Reimbursement of Expenses Paid:				
Zydus Hospira Oncology Private Limited	42	12	-	-
Services:				
Zydus Infrastructure Private Limited	-	-	145	142
Others	-	1	37	26
Total	**-**	**1**	**182**	**168**

Notes to the Consolidated Financial Statements

Note: 47-Related Party Transactions: (Continued)

Nature of Transactions	Value of the Transactions (₹ in Million)			
	Joint Venture Companies		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31			
	2024	2023	2024	2023
Sales:				
Goods:				
Bayer Zydus Pharma Private Limited	63	139	-	-
Zydus Takeda Healthcare Private Limited	91	396	-	-
Zydus Hospitals and Healthcare Research Private Limited	-	-	44	25
Others	-	-	2	1
Total	**154**	**535**	**46**	**26**
Reimbursement of Expenses Recovered:				
Zydus Hospira Oncology Private Limited	9	-	-	-
Others	1	-	-	-
Total	**10**	**-**	**-**	**-**
Services:				
Zydus Hospitals and Healthcare Research Private Limited	-	-	2	-
Others	-	1	-	-
Total	**-**	**1**	**2**	**-**
Finance:				
Interest Income:				
Bayer Zydus Pharma Private Limited	**3**	**4**	**-**	**-**
	As at March 31			
Outstanding:	2024	2023	2024	2023
Payable:				
Zydus Hospira Oncology Private Limited	48	48	-	-
Oneiro Chemicals Private Limited	-	-	82	88
Others	1	-	20	37
Total	**49**	**48**	**102**	**125**
Receivable:				
Bayer Zydus Pharma Private Limited	3	12	-	-
Zydus Hospitals and Healthcare Research Private Limited	-	-	11	-
Others	2	97	-	10
Total	**5**	**109**	**11**	**10**

Notes to the Consolidated Financial Statements

Note: 47-Related Party Transactions: (Continued)

₹ in Million

			Year ended March 31, 2024	Year ended March 31, 2023
c	**Details relating to persons referred to in Note-47-A (d) above:**			
	(i)	Salaries and other employee benefits to Managing Director, Executive Director and other executive officers	528	466
	(ii)	Commission and Sitting Fees	34	32
	(iii)	Outstanding payable to above (i) and (ii)	175	145
d	**Details relating to persons referred to in Note-47-A (f) above:**			
	(i)	Contributions (including Employees' share and contribution)	1,269	1,646
e	**Details relating to buyback of shares from Promoter/ Promoter Group (Refer Note-18-D for name of promoters):**			
	(i)	Zydus Family Trust	3,871	4,935
	(ii)	Others	1	1
	(ii)	**Total**	**3,872**	**4,936**

Note: 48-Exceptional Items:

₹ in Million

		Year ended March 31, 2024	Year ended March 31, 2023
1	Impairment charge on Goodwill due to change in the business plans by Sentynl Therapeutics Inc., a wholly owned subsidiary of the Group	-	5,941
2	Expenses incurred in connection with cessation of the operations of one of the manufacturing facilities of Zydus Wellness Products Limited (ZWPL), a subsidiary of the Group	177	101
3	Gain on sale of assets by ZWPL which were classified as "Assets held for sale" from Property, Plant and Equipment in the previous financial year (as per Ind AS 105)	(35)	-
4	**Total**	**142**	**6,042**

Note: 49-Material partly-owned subsidiaries:

₹ in Million

	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	Year ended March 31		As at March 31	
	2024	**2023**	**2024**	**2023**
Zydus Wellness Limited *	1,133	1,316	22,721	21,725
Individually immaterial subsidiaries with non-controlling interests	-	-	-	-
Total	**1,133**	**1,316**	**22,721**	**21,725**

Notes to the Consolidated Financial Statements

Note: 49-Material partly-owned subsidiaries: (Continued)

Financial information of a subsidiary that have material non-controlling interests (NCI) is provided below:

₹ in Million

Name of Subsidiary	Zydus Wellness Limited *	
Place of Incorporation and operations	India	
	As at March 31, 2024	As at March 31, 2023
% of Ownership	**57.59%**	**57.59%**
Summarised balance sheet:		
Current assets	12,500	9,085
Current liabilities	7,694	6,924
Net current assets	**4,806**	**2,161**
Non-current assets	48,984	49,246
Non-current liabilities	215	181
Net non-current assets	**48,769**	**49,065**
Net assets	53,575	51,226
Accumulated NCI	22,721	21,725

	Year ended March 31, 2024	Year ended March 31, 2023
Summarised statement of profit and loss:		
Revenue	23,417	22,597
Expenses	20,674	19,587
Profit after Tax	2,669	3,104
Other Comprehensive Income	(2)	-
Total comprehensive income	2,667	3,104
Profit allocated to NCI	1,133	1,316
Dividends paid to NCI	135	135
Summarised Cash Flow Statement:		
Net cash inflow from operating activities	2,464	917
Net cash (outflow) from investing activities	(193)	(849)
Net cash (outflow) from financing activities	(257)	(1,385)

* Consolidated financial information of Zydus Wellness Limited

Note: 50-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 : Inputs other than quoted prices included within Level 1 which are observable for the assets or liabilities, either directly or indirectly.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the Consolidated Financial Statements

Note: 50-Financial Instruments: (Continued)

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

₹ in Million

	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	2,525	-	-	2,525
Derivative not designated as hedge:				
Forward Contract value related to investment in a Joint Venture	-	2,803	-	2,803
Financial Investments at FVTOCI:				
Quoted equity instruments	608	-	-	608
Unquoted equity instruments	-	1,083	-	1,083
Total financial assets	**3,133**	**3,886**	**-**	**7,019**
Financial liabilities				
Financial Liabilities at FVTPL:				
Financial liability related to contingent consideration [Refer Note-55]	-	-	10,080	10,080
Total financial liabilities	**-**	**-**	**10,080**	**10,080**
	As at March 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	6,193	-	-	6,193
Derivative not designated as hedge:				
Forward Contract value related to investment in a Joint Venture	-	-	1,827	1,827
Financial Investments at FVTOCI:				
Quoted equity instruments	746	-	-	746
Unquoted equity instruments	-	22	-	22
Total financial assets	**6,939**	**22**	**1,827**	**8,788**
Financial liabilities	-	-	-	-

C Fair value of instruments measured at amortised cost:

Financial assets and liabilities measured at amortised cost for which fair values are disclosed:

₹ in Million

	Carrying Value	As at March 31, 2024			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Investment in preference shares	9	-	9	-	9
Investment in compulsorily convertible debentures	31	-	31	-	31
Investment in non-convertible debentures	830	830	-	-	830
Bonds	2,655	2,655	-	-	2,655

Notes to the Consolidated Financial Statements

Note: 50-Financial Instruments: (Continued)

₹ in Million

	Carrying Value	As at March 31, 2023			
		Level 1	Level 2	Level 3	Total
Investment in preference shares	9	-	9	-	9
Investment in compulsorily convertible debentures	23	-	23	-	23
Investment in non-convertible debentures	1,233	1,233	-	-	1,233
Bonds	2,663	2,663	-	-	2,663

Financial Assets:

The carrying amounts of trade receivables, loans and advances to related parties and other financial assets (other than referred above), cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

Fair values of loans from banks, other financial liabilities except financial liability related to contingent consideration and trade payables are considered to be approximately equal to the carrying values.

Fair values of investment in preference shares were calculated based on cash flows discounted using the applicable adjusted market interest rates.

Fair values of investment in compulsorily convertible debentures were calculated based on cash flows discounted using the applicable adjusted market interest rates.

D Valuation process and technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

a The use of quoted market prices for similar instruments.

b Fair value of Forward Contract value related to investment in a Joint Venture has been determined considering the estimated exercise price and value of the underlying entity. The valuation has been derived using the Present Value technique under Income Approach. As the forward contract has been exercised as on May 02, 2024, the valuation as on March 31, 2024 does not include significant unobservable inputs.

Movement in Forward Contract value related to investment in a Joint Venture:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Value as at beginning of the year	1,827	1,714
Add: Gain on valuation of Forward Contract value related to investment in a Joint Venture	976	113
Value as at end of the year	2,803	1,827
Out of above, amount disclosed under-		
Other Non-Current Financial Assets (Note-7)	-	1,827
Other Current Financial Assets (Note-16)	2,803	-

Notes to the Consolidated Financial Statements

Note: 51-Financial Risk Management:

A Financial instruments by category:

₹ in Million

	As at March 31, 2024			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity instruments (other than investment in Equity of a subsidiary)	-	1,691	-	1,691
Preference shares	-	-	9	9
Debentures	-	-	861	861
Bonds	-	-	2,655	2,655
Partnership Firm	-	301	-	301
Mutual funds	2,525	-	-	2,525
Non Current Other Financial Assets (other than Forward Contract value related to investment in a JV)	-	-	577	577
Forward Contract value related to investment in a Joint Venture	2,803	-	-	2,803
Trade receivables	-	-	52,202	52,202
Cash and Cash Equivalents	-	-	11,051	11,051
Loans	-	-	15	15
Other Current Financial Assets	-	-	3,770	3,770
Total	**5,328**	**1,992**	**71,140**	**78,460**
Financial liabilities:				
Borrowings (including current maturities and interest accrued but not due)	-	-	7,690	7,690
Financial liability related to contingent consideration	10,080	-	-	10,080
Non Current Other Financial Liabilities	-	-	713	713
Trade payables	-	-	21,267	21,267
Payable for Capital Goods	-	-	963	963
Book Overdraft	-	-	177	177
Other Current Financial Liabilities	-	-	12,852	12,852
Total	**10,080**	**-**	**43,662**	**53,742**

Notes to the Consolidated Financial Statements

Note: 51-Financial Risk Management: (Continued)

₹ in Million

	As at March 31, 2023			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity instruments (other than investment in Equity of a subsidiary)	-	768	-	768
Preference shares	-	-	9	9
Debentures	-	-	1,256	1,256
Bonds	-	-	2,663	2,663
Partnership Firm	-	410	-	410
Mutual funds	6,193	-	-	6,193
Non Current Other Financial Assets (other than Forward Contract value related to investment in a JV)	-	-	3,153	3,153
Forward Contract value related to investment in a Joint Venture	1,827	-	-	1,827
Trade receivables	-	-	44,168	44,168
Cash and Cash Equivalents	-	-	5,731	5,731
Loans	-	-	24	24
Other Current Financial Assets	-	-	2,280	2,280
Total	**8,020**	**1,178**	**59,284**	**68,482**
Financial liabilities:				
Borrowings (including current maturities and interest accrued but not due)	-	-	11,634	11,634
Non Current Other Financial Liabilities	-	-	712	712
Trade payables	-	-	21,250	21,250
Payable for Capital Goods	-	-	1,210	1,210
Book Overdraft	-	-	2	2
Other Current Financial Liabilities	-	-	13,244	13,244
Total	**-**	**-**	**48,052**	**48,052**

B Risk Management:

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in the financial statements.

The Group's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Group's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below:

a Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. The Group is exposed to credit risk from investment in preference shares measured at amortised cost, loans and advances to related parties, trade receivables, bank deposits and other financial assets. The Group periodically assesses the

Notes to the Consolidated Financial Statements

Note: 51-Financial Risk Management: (Continued)

financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

i Investments at Amortised Cost : They are strategic investments in the normal course of business of the Group. The Group closely monitors the performance of these Companies.

ii Bank deposits : The Group maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.

iii The counter party to the forward contract value related to the Investment in a Joint Venture is the associate entity of co-venturer of one of Joint Ventures. The contract is governed by a shareholders' agreement which has the needful representations by the counter party. The Group is exposed to insignificant credit risk in relation to the same.

iv Trade Receivables: The Group trades with recognized and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to credit losses is not significant.

v The Group is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base. Adequate expected credit losses are recognized as per the assessments.

As at March 31, 2024, there is one customer (as at March 31, 2023, there were three customers) (all are wholesalers based in USA) whose outstanding balance exceed 10% of the total receivables. The Group has used lifetime expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Financial assets for which loss allowances is measured using the expected credit loss:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Trade Receivables:		
Less than 180 days (including not due)	51,812	43,758
180 - 365 days	250	144
Above 365 days	140	266
Total	**52,202**	**44,168**
Movement in the expected credit loss allowance on trade receivables:		
Balance at the beginning of the year	250	236
Addition	243	50
Recoveries	(40)	(34)
Exchange rate differences	3	(2)
Balance at the end of the year	**456**	**250**

Other than trade receivables, the Group has no significant class of financial assets that is past due but not impaired.

Notes to the Consolidated Financial Statements

Note: 51-Financial Risk Management: (Continued)

b Liquidity risk:

a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

b Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the group operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities:

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

₹ in Million

	< 1 year	1-2 year	2-3 year	> 3 years	Total
	As at March 31, 2024				
Non-derivative Financial Liabilities:					
Borrowings (including current maturities and interest)	7,739	-	-	-	7,739
Financial liability related to contingent consideration (Refer Note-55)	-	3,003	3,820	3,257	10,080
Other non current financial liabilities	-	110	68	535	713
Trade payables	21,267	-	-	-	21,267
Accrued Expenses	12,698	-	-	-	12,698
Payable for Capital Goods	963	-	-	-	963
Unpaid dividend	46	-	-	-	46
Other Current Financial Liabilities	282	-	-	-	282
Total	**42,995**	**3,113**	**3,888**	**3,792**	**53,788**
	As at March 31, 2023				
Non-derivative Financial Liabilities:					
Borrowings (including current maturities and interest)	11,876	-	-	-	11,876
Other non current financial liabilities	-	116	55	553	724
Trade payables	21,250	-	-	-	21,250
Accrued Expenses	13,075	-	-	-	13,075
Payable for Capital Goods	1,210	-	-	-	1,210
Unpaid dividend	48	-	-	-	48
Other Current Financial Liabilities	121	-	-	-	121
Total	**47,580**	**116**	**55**	**553**	**48,304**

c Foreign currency risk:

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that

Notes to the Consolidated Financial Statements

Note: 51-Financial Risk Management: (Continued)

is not the Group's functional currency. The Group's operations in foreign currency create natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Group.

Foreign currency risk exposure:

The groups exposure to foreign currency risk at the end of the reporting period expressed in ₹ in Million, are as follows:

₹ in Million

	Exposure of USD	
	As at March 31, 2024	As at March 31, 2023
Financial assets:		
Trade receivable	44,521	33,963
Cash and Cash equivalents	669	132
Investment in quoted equity instruments	22	114
Total exposure to foreign currency risk (assets)	**45,212**	**34,209**
Financial liabilities:		
Foreign currency loan alongwith interest	4,592	8,233
Trade and other payable	7,696	6,905
Total exposure to foreign currency risk (liabilities)	**12,288**	**15,138**
Net exposure to foreign currency risk	**32,924**	**19,071**

₹ in Million

	Exposure of Other Foreign Currencies	
	As at March 31, 2024	As at March 31, 2023
Financial assets:		
Trade receivable	1,889	1,162
Cash and Cash equivalents	68	31
Total exposure to foreign currency risk (assets)	**1,957**	**1,193**
Financial liabilities:		
Trade and other payable	766	611
Total exposure to foreign currency risk (liabilities)	**766**	**611**
Net exposure to foreign currency risk	**1,191**	**582**

Notes to the Consolidated Financial Statements

Note: 51-Financial Risk Management: (Continued)

Sensitivity *:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

₹ in Million

Currency	As at March 31, 2024			As at March 31, 2023		
	Movement in Rate	Impact on PAT (*)	Impact on Other Equity (*)	Movement in Rate	Impact on PAT (*)	Impact on Other Equity (*)
USD	1.50%	369	0	8.00%	987	9
USD	-1.50%	(369)	(0)	-8.00%	(987)	(9)
Others	1.00%	9	-	6.00%	23	-
Others	-1.00%	(9)	-	-6.00%	(23)	-

* Holding all other variables constant

d Interest rate risk:

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2024, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits are at fixed interest rates.

Sensitivity *:

Below is the sensitivity of profit or loss and equity changes in interest rates:

₹ in Million

	Movement in Rate	As at March 31, 2024	As at March 31, 2023
Interest rates	+0.50%	(29)	(38)
Interest rates	-0.50%	29	38

* Holding all other variables constant

e Price risk:

Exposure:

The group's exposure to price risk arises from investments in equity and mutual funds held by the group and classified in the balance sheet as fair value through OCI and at fair value through profit or loss respectively. To manage its price risk arising from investments in equity securities and mutual funds, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

Notes to the Consolidated Financial Statements

Note: 51-Financial Risk Management: (Continued)

Sensitivity *:

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

₹ in Million

	Movement in Rate	As at March 31, 2024		As at March 31, 2023	
		Impact on PAT	Impact on Other Equity	Impact on PAT	Impact on Other Equity
Equity Instruments (Quoted)					
Increase	+10.00%	-	61	-	75
Decrease	-10.00%	-	(61)	-	(75)
Mutual Funds (Quoted)					
Increase	+2.00%	51	-	124	-
Decrease	-2.00%	(51)	-	(124)	-

* Holding all other variables constant

C Hedge:

Disclosure of effects of hedge accounting on financial position:

Fair Value Hedge:

Hedged item - Changes in fair value of trade receivables attributable to changes in foreign exchange rates

Hedging instrument - Changes in fair value of forward contracts and foreign currency borrowings attributable to foreign exchange rates

Net Investment Hedge:

Hedged item - Changes towards translation adjustments resulting from translating the functional currency of financial statements of foreign operations

Hedging instrument - Changes in fair value of certain foreign currency borrowings attributable to foreign exchange rates

As at March 31, 2024						
Type of hedged risk	Carrying amount (USD in Million)	Carrying amount (₹ in Million)	Maturity Date	Hedge Ratio	Balance sheet classification	Changes in fair value relating to hedged risk (₹ in Million)
Fair Value Hedge:						
Hedging instrument: Certain Foreign currency borrowings and forward contracts	74	6,184	Range - Within 6 months	1:1	Borrowings and Other Current Financial Assets	41
Hedged item: Certain foreign currency trade receivables and loan receivables	74	6,184	Range - Within 6 months		Trade Receivables	41

Notes to the Consolidated Financial Statements

Note: 51-Financial Risk Management: (Continued)

As at March 31, 2023						
Type of hedged risk	**Carrying amount (USD in Million)**	**Carrying amount (₹ in Million)**	**Maturity Date**	**Hedge Ratio**	**Balance sheet classification**	**Changes in fair value relating to hedged risk (₹ in Million)**
Fair Value Hedge:						
Hedging instrument: Certain Foreign currency borrowings	88	7,193	Range - Within 6 months	1:1	Borrowings	38
Hedged item: Certain foreign currency trade receivables	88	7,193	Range - Within 6 months		Trade Receivables	38
Net Investment Hedge:						
Hedging instrument: Certain Foreign currency borrowings	10	822	Range - upto 3 years		Borrowings	46
Hedged item: Net investment in certain foreign subsidiaries	10	822	N.A.		Net Investment in certain foreign subsidiaries	46

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the dollar offset method to assess effectiveness. There was no hedge ineffectiveness in any of the periods presented above.

Note: 52-Capital Management:

The Group' s capital management objectives are:

a To ensure the Group's ability to continue as a going concern

b To provide an adequate return to shareholders

c To maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Gross debts	7,686	11,632
Total equity	198,295	175,158
Gross debt to equity ratio (No. of times)	0.04	0.07

Notes to the Consolidated Financial Statements

Note: 52-Capital Management: (Continued)

Loan covenants:

As on March 31, 2024, no long term borrowings is outstanding, hence no financial covenants are applicable to the Group. For the borrowings facilities outstanding during the year, the Group was required to comply with the following financial covenant:

- Gross Debt to Equity must be less than 2:1

This was in line with the Group's covenants as agreed with external Lenders.

Note: 53: Assets and liabilities classified as held for sale and Discontinued operations:

A During the financial year 2021-22, the Group had decided to close the manufacturing facilities of Nesher Pharmaceuticals (USA) LLC [Nesher] and Hercon Pharmaceuticals (USA) LLC [Hercon], both wholly owned subsidiaries of the Group. Consequently, operations of both Nesher and Hercon have been considered and disclosed as "Discontinued Operations" as per Ind AS 105. Accordingly, all the assets and liabilities of Nesher and Hercon have been considered as "Held for sale" as per Ind AS 105 and disclosed separately under in Balance Sheet.

a Financial performance and cash flow information of Discontinued Operations:

₹ in Million

			Year ended March 31, 2024	Year ended March 31, 2023
a	**Financial performance**			
	1	Total Revenue	50	11
	2	Total expenses	49	205
	3	**Profit/ [Loss] before Exceptional items and Tax**	**1**	**(194)**
	4	Exceptional Items [Including impairment [Reversal]/ charge on Property, Plant and Equipments and Capital-Works in progress, deferred tax assets and other assets]	(291)	(124)
	5	**Profit/ [Loss] before tax**	**292**	**(70)**
	6	Tax Expense - [Charge]/ Credit	(62)	24
	7	**Profit/ [Loss] after tax**	**230**	**(46)**
b	**Cash flow information**			
	1	Net cash inflow (outflow) from operating activities	(16)	(41)
	2	Net cash inflow (outflow) from investing activities	-	-
	3	Net cash inflow (outflow) from financing activities	-	-
	4	**Net increase (decrease) in cash generated from discontinued operations**	**(16)**	**(41)**

b Assets and liabilities classified as held for sale:

The following assets and liabilities are reclassified as held for sale at fair value:

₹ in Million

		As at March 31, 2024	As at March 31, 2023
1	Property, plant and equipment	-	40
2	Other current assets	20	35
a	**Total Assets classified as held for sale**	**20**	**75**
1	Trade payables	19	29
2	Other current liabilities	3	11
b	**Total Liabilities classified as held for sale**	**22**	**40**

Notes to the Consolidated Financial Statements

Note: 53: Assets and liabilities classified as held for sale and Discontinued operations: (Continued)

B Zydus Wellness Products Limited (ZWPL), a subsidiary of the Group, has decided to sell certain assets located at Sitarganj, Uttarakhand. The sale transaction is estimated to be completed within a period of one year. In accordance with Ind AS 105 "Non-Current Assets held for Sale and Discontinued Operations", such assets are reclassified as "Assets held for sale" from Property, plant and equipment and disclosed separately at the lower of their carrying amount and fair value less cost to sell. The value of such assets is ₹ 357 Million. On similar basis, during previous year, ZWPL had classified assets located at Mumbai as "Non-Current Assets held for Sale and Discontinued Operations". The value of such asset was ₹ 7 Million.

C The Board of Directors of the Parent at its meeting held on May 2, 2024, approved to enter into a Share Purchase Agreement (SPA) amongst the Parent, Bayer Zydus Pharma Private Limited (BZPPL) and Bayer Pharmaceuticals Private Limited (BPPL) to sell its entire holding of 12,499,999 equity shares (representing 24.99998% of the total paid-up share capital) of BZPPL to BPPL. The said transaction of transfer of shares was completed on May 6, 2024. Post completion of the said transaction, the Parent does not hold any shares of BZPPL and it has ceased to be the Joint Venture of the Parent. In accordance with Ind AS 105 "Non-Current Assets held for Sale and Discontinued Operations", investment in BZPPL is classified as "Assets held for sale" from Investments in Joint Ventures and disclosed separately at the lower of its carrying value and fair value less costs to sell. The value of such assets is ₹ 439 Million.

Note: 54:

Pursuant to the Business Transfer Agreement (BTA) entered into by the Parent with Watson Pharma Private Limited (Watson) on November 29, 2022, the transaction of acquisition of one of the business undertakings of Watson on a going concern basis by way of slump sale, at a lump-sum cash consideration of ₹ 468 Million by the Parent has been completed on August 8, 2023.

Business undertaking of Watson is engaged in the business of developing, manufacturing, marketing and sale of APIs. This acquisition will help the Group to expand its presence in the APIs space through increase in product pipeline and manufacturing capacity.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	₹ in Million
Property, Plant and Equipment	468
Other intangible assets	1
Net Identifiable assets acquired	**469**
Capital Reserve	(1)
Total acquisition cost	**468**
Acquisition cost settled in Cash	
Consideration	468
Less: Cash and cash equivalents acquired	-
Net Cash outflow on acquisition	**468**

The excess of the fair value of assets acquired over the acquisition cost paid has been attributed to Capital Reserve.

The financial statement for the year ended March 31, 2024 include the operations of the acquired business undertaking of Watson for the period from August 8, 2023 with purchase price allocation (PPA) figures.

From the date of acquisition, Watson has contributed revenue of ₹ Nil Million and loss after tax of ₹ 217 Million to the Group.

If the business combination had taken place at the beginning of the year, revenue would have been ₹ Nil and loss after tax would have been ₹ 325 Million.

Notes to the Consolidated Financial Statements

Note: 55-Business Combination:

Pursuant to the Sale and Purchase Agreement (SPA) entered on October 31, 2023, Zydus Pharmaceuticals UK Limited, United Kingdom (Zydus UK), a wholly owned subsidiary of the Parent, has completed the acquisition of 100% stake of LiqMeds Worldwide Limited, LiqMeds Limited, Medsolutions (Europe) Limited, LiqMeds Lifecare Limited and LM Manufacturing Limited (collectively referred as "LiqMeds Group") on November 6, 2023.

Liquid orals is a large, growing market and serves unmet needs with significant new market expansion opportunities. In line with our patient-centric approach, we believe that oral liquid formulations would help geriatric and paediatric patients, bringing in greater ease of convenience and therapy compliance. LiqMeds Group has capabilities and specialisation in development, manufacturing and supply of oral liquid products for global markets, which it currently commercializes through partners.

The cost of acquisition is GBP 68 Million (equivalent to ₹ 7,201 Million) as upfront consideration, settled by way of Cash. Over and above upfront consideration, additional amounts will be paid in cash, in tranches, over next three calendar years, depending on achievement of certain agreed milestones.

The results for the year ended March 31, 2024 include the operations of the LiqMeds Group for the period from November 6, 2023 with provisional purchase price allocation (PPA) figures. The PPA figures shall be finalised within the measurement period as provided by Ind AS 103.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	**₹ in Million**
Inventories	104
Trade Receivables	320
Cash and cash equivalents	60
Property, Plant and Equipment	269
Other intangible assets	3,673
Intangible Assets under Development	11,956
Other Assets	71
Current Liabilities	(161)
Non-Current Liabilities	(19)
Identifiable net assets acquired	**16,273**
Goodwill	692
Goodwill (related to deferred tax liability on intangible assets)	3,924
Total Goodwill	**4,616**
Purchase consideration paid	**7,201**
Present value of contingent consideration payable	**9,764**
Total acquisition cost	**16,965**
Acquisition cost settled in Cash	
Consideration	7,201
Less: Cash and cash equivalents acquired	60
Net Cash outflow on acquisition	**7,141**
The fair value of trade and other receivables acquired as part of the business combination amounted to	320

The above is the same as the Contractual amount of such receivables.

The excess of the acquisition cost paid over the fair value of assets acquired has been attributed to Goodwill and the same shall not be amortised.

The Goodwill recognised under the business combination represents the above stated benefits along with synergetic benefits estimated by the Group.

Pursuant to recognition of assets and liabilities at fair value, the Group recognised a deferred tax liability, amounting to ₹ 3,924 Million, for difference between their books base and tax base with a corresponding effect as part of Goodwill.

Notes to the Consolidated Financial Statements

Note: 55-Business Combination: (Continued)

For measuring the fair value of intangible assets (other than Trademark), Multi-period Excess Earning Method is applied and for Trademark, Relief from royalty method is applied.

From the date of acquisition, LiqMeds Group has contributed revenue of ₹ 582 Million and profit after tax of ₹ 132 Million to the Group.

If the business combination had taken place at the beginning of the year, revenue would have been ₹ 1,313 Million and profit after tax would have been ₹ 383 Million.

Note: 56:

(a) **Following are the details of the funds loaned and invested by the Parent to intermediaries for further loan or investment to the ultimate beneficiaries:**

For the details of the funds loaned by the subsidiary to the Parent, refer note (b) below.

Amount in ₹ Million

Name of the intermediary to which the funds are advanced	Date of loan and investment to intermediary	Amount of loan and investment to intermediary	Date on which funds are further loaned and invested by intermediary to ultimate beneficiary	Amount of fund further loaned and invested by intermediary to ultimate beneficiary	Ultimate beneficiary
Zydus Worldwide DMCC	13-Jun-23	824	16-Jun-23	824	Zydus Nikkho Farmaceutica Ltda.
Zydus Pharmaceuticals UK Limited	02-Nov-23	4,854	06-Nov-23	4,854	Selling shareholders of LM Manufacturing Limited
Zydus Pharmaceuticals UK Limited	02-Nov-23	2,353	06-Nov-23	2,353	LM Manufacturing Limited

Complete details of the intermediary and ultimate beneficiary:

Name of entity	Registered address	Relationship with the Company
Zydus Worldwide DMCC	Unit No. 908, Armada Tower 2, Plot No. JLT-PH2-P2A, Jumeirah Lakes Towers, Dubai, United Arab Emirates.	Wholly owned subsidiary
Zydus Nikkho Farmaceutica Ltda.	City of Rio de Janeiro, State of Rio de Janeiro, at Governador Chagas Freitas Highway 340, Moneró, CEP 21932-820	Wholly owned subsidiary
Zydus Pharmaceuticals UK Limited	First Floor, Templeback, 10, Templeback, Bristol, United Kingdom, BS1 6FL	Wholly owned subsidiary
LM Manufacturing Limited	Sandretto Building Cavalry Hill Industrial Park, Weedon, Northampton, England, NN7 4PP	Wholly owned subsidiary

(b) The Parent and Indian Subsidiaries have not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise), that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Parent has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

(c) The Group has defined process to take daily back-up on server physically located in India of books of account maintained electronically and complied with the provisions of the Companies (Accounts) Rules, 2014 (as amended). However, in case

Notes to the Consolidated Financial Statements

Note: 56: (Continued)

of Bayer Zydus Pharma Private Limited, (joint venture company (JV) of the Group), the server is physically located in India and back up is taken on a periodic basis and in case of Zydus Takeda Healthcare Private Limited (JV of the Group) , the server is not physically located in India upto October 30, 2023.

(d) The Parent and Indian Subsidiaries have used accounting software for maintaining its books of account for the year ended on March 31, 2024 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 except that no audit trail has been enabled at the database level for accounting software to log any direct data changes for the Parent and nine Indian subsidiaries. The Group is in process of implementing the audit trail at the database level.

(e) The Parent and Indian Subsidiaries have not traded or invested in Crypto currency or Virtual currency during the financial year.

(f) No proceedings have been initiated or pending against the Parent and Indian Subsidiaries for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(g) The Parent and Indian Subsidiaries have not been declared as wilful defaulter by any bank or financial Institution or other lender.

(h) The Parent and Indian Subsidiaries do not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

(i) The Parent and Indian Subsidiaries have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(k) The Parent and Indian Subsidiaries do not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note: 57-Disclosure of transactions with Struck off Companies:

The Group did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

Note: 58:

Figures of previous year have been regrouped/ reclassified to conform to current year's classification.

Signatures to Material Accounting Policies and Notes 1 to 58 to the Financial Statements

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For and on behalf of the Board

Pankaj R. Patel
Chairman
DIN: 00131852

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Muscat, Oman
May 17, 2024

Statement containing the salient features of the financial statements of Subsidiaries/ Associates/ Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Part: "A" - Subsidiaries:

Sr. No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting year ended	Reporting Currency	Exchange Rate	₹ in Million										
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiaries	Turnover & Other income from Operations *	Profit/ (Loss) before Taxation *	Provision for Taxation *	Profit/ (Loss) after taxation *	Proposed Dividend	% of share-holding
1	Zydus Wellness Limited	08-Jun-06	March 31, 2024	₹	1.00	636.00	39,723.00	41,158.00	799.00	48.00	2,448.00	448.00	111.00	337.00	318.16	57.59%
2	Zydus Wellness Products Limited	28-Feb-19	March 31, 2024	₹	1.00	2,188.00	23,159.00	38,743.00	13,396.00	728.00	22,892.00	(1,650.00)	(759.00)	(891.00)	-	57.59%
3	Zydus Healthcare Limited	11-Aug-03	March 31, 2024	₹	1.00	217.00	53,923.00	63,994.00	9,854.00	2,137.00	38,995.00	9,054.00	537.00	8,517.00	-	100.00%
4	Zydus Pharmaceuticals Limited	26-Dec-19	March 31, 2024	₹	1.00	6,700.00	(322.80)	7,145.80	768.60	183.10	700.10	(238.80)	(26.40)	(212.40)	-	100.00%
5	Biochem Pharmaceutical Private Limited (#)	27-Nov-19	March 31, 2024	₹	1.00	0.10	(0.08)	0.03	0.01	-	-	(0.02)	-	(0.02)	-	100.00%
6	Dialforhealth Unity Limited	23-Jun-05	March 31, 2024	₹	1.00	0.50	(3.30)	0.09	2.89	-	0.03	(0.18)	-	(0.18)	-	55.00%
7	Dialforhealth Greencross Limited	08-Jul-05	March 31, 2024	₹	1.00	2.50	(2.10)	0.42	0.02	-	-	0.01	0.01	0.00	-	100.00%
8	German Remedies Pharmaceuticals Private Limited	29-Mar-18	March 31, 2024	₹	1.00	668.30	2,068.10	3,609.20	872.80	417.50	4,907.40	669.20	168.50	500.70	-	100.00%
9	Liva Investment Limited	24-Dec-18	March 31, 2024	₹	1.00	2.50	(0.41)	2.13	0.04	-	-	0.09	-	0.09	-	57.59%
10	Liva Nutritions Limited	21-Dec-18	March 31, 2024	₹	1.00	30.50	(6.50)	24.10	0.10	-	-	(0.01)	0.01	(0.02)	-	57.59%
11	Violio Healthcare Limited (#)	20-Mar-18	March 31, 2024	₹	1.00	0.50	(0.07)	0.44	0.02	-	-	0.01	0.01	0.00	-	100.00%
12	Zydus Animal Health and Investments Limited	10-May-18	March 31, 2024	₹	1.00	17,744.00	8,609.00	26,643.00	290.00	1,266.00	1,008.00	1,859.00	414.00	1,445.00	-	100.00%
13	Zydus Strategic Investments Limited	10-Jul-20	March 31, 2024	₹	1.00	10.00	0.94	11.03	0.10	-	-	0.63	0.15	0.48	-	100.00%
14	Zydus VTEC Limited	08-Sep-20	March 31, 2024	₹	1.00	3,065.00	(487.50)	2,946.30	368.80	36.80	1.70	(430.40)	-	(430.40)	-	100.00%

Sr. No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting year ended	Reporting Currency	Exchange Rate	₹ in Million										
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiaries	Turnover & Other income from Operations *	Profit/ (Loss) before Taxation *	Provision for Taxation *	Profit/ (Loss) after taxation *	Proposed Dividend	% of share-holding
15	LM Manufacturing India Private Limited (**)	06-Nov-23	March 31, 2024	₹	1.00	0.50	8.64	29.62	20.48	-	30.38	4.77	1.71	3.07	-	100.00%
16	Zydus Lanka (Private) Limited	11-Apr-11	March 31, 2024	LKR	0.30	11.12	14.31	40.49	15.06	-	75.42	18.24	5.53	12.71	-	100.00%
17	Zydus Healthcare Philippines Inc.	12-Jul-13	December 31, 2023	PHP	1.52	395.51	148.47	835.78	291.80	-	1,214.02	68.02	16.64	51.39	-	100.00%
18	Zydus International Private Limited	30-Apr-98	December 31, 2023	Euro	91.88	6,444.39	(60.18)	19,175.75	12,791.53	-	946.07	165.86	-	165.86	-	100.00%
19	Zydus Netherlands B.V.	18-Jan-07	December 31, 2023	Euro	91.88	8,917.23	(884.23)	9,167.36	1,134.36	-	-	(25.89)	-	(25.89)	-	100.00%
20	Zydus France, SAS	01-Oct-03	December 31, 2023	Euro	91.88	714.51	(794.61)	1,656.98	1,737.08	-	1,831.15	(190.83)	-	(190.83)	-	100.00%
21	Laboratorios Combix S.L.	23-Jul-08	December 31, 2023	Euro	91.88	687.47	(327.23)	1,276.62	916.38	-	1,450.65	(51.77)	0.30	(52.07)	-	100.00%
22	Etna Biotech S.R.L.	26-Nov-08	December 31, 2023	Euro	91.88	8.27	(129.18)	49.80	170.71	-	-	(26.26)	-	(26.26)	-	100.00%
23	Viona Pharmaceuticals (USA) Inc.	11-May-18	March 31, 2024	USD	83.43	41.72	(33.62)	3,177.18	3,169.09	-	3,169.86	36.59	21.77	14.82	-	100.00%
24	Zydus Pharmaceuticals (USA) Inc. ($)	18-Nov-03	March 31, 2024	USD	83.43	250.29	7,659.29	76,035.60	68,126.02	-	78,386.40	2,449.84	578.04	1,871.80	-	100.00%
25	Zydus Healthcare (USA) LLC	18-Nov-03	March 31, 2024	USD	83.43	16.69	27.60	254.99	210.71	-	214.75	3.01	2.32	0.68	-	100.00%
26	Sentynl Therapeutics, Inc.	19-Jan-17	March 31, 2024	USD	83.43	2,503.73	(8,889.22)	2,265.12	8,650.61	-	535.57	(2,259.92)	0.08	(2,260.00)	-	100.00%
27	Zydus Worldwide DMCC	21-Apr-14	March 31, 2024	USD	83.43	1,920.02	42,799.99	55,117.38	10,397.37	-	10,552.06	29,335.38	-	29,335.38	-	100.00%
28	Zydus Wellness International DMCC	28-May-19	March 31, 2024	USD	83.43	5.68	(94.76)	303.01	392.09	-	577.64	(68.81)	-	(68.81)	-	57.59%
29	Zydus Lifesciences Global FZE	20-Feb-24	March 31, 2024	USD	83.43	10,027.72	(80.70)	28,050.41	18,103.39	-	3.85	(80.08)	-	(80.08)	-	100.00%

Sr. No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting year ended	Reporting Currency	Exchange Rate	₹ in Million										
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiaries	Turnover & Other income from Operations *	Profit/ (Loss) before Taxation *	Provision for Taxation *	Profit/ (Loss) after taxation *	Proposed Dividend	% of share-holding
30	Zydus Healthcare S.A. (Pty) Ltd	27-Jul-98	December 31, 2023	ZAR	4.57	642.10	22.43	1,947.74	1,283.20	-	2,087.85	(3.43)	(1.11)	(2.32)	-	100.00%
31	Alidac Pharmaceuticals SA (Pty) Ltd (Formerly known as Simayla Pharmaceuticals (Pty) Ltd)	02-Jul-08	December 31, 2023	ZAR	4.57	0.00	(461.99)	-	461.99	-	-	(0.02)	-	(0.02)	-	100.00%
32	Script Management Services (Pty) Ltd	14-Oct-09	December 31, 2023	ZAR	4.57	0.00	3.03	9.35	6.32	-	555.11	0.02	0.00	0.01	-	100.00%
33	Zydus Nikkho Farmaceutica Ltda.	19-Jul-07	December 31, 2023	BRL	17.17	4,676.27	(2,978.17)	3,266.53	1,568.43	-	2,849.81	(483.91)	1.19	(485.11)	-	100.00%
34	Alidac Healthcare (Myanmar) Limited	17-Jun-16	March 31, 2024	MMK	0.02	948.73	(399.15)	1,684.93	1,135.35	-	835.45	(170.08)	-	(170.08)	-	100.00%
35	Zydus Pharmaceuticals Mexico SA De CV	25-Aug-10	December 31, 2023	MXN	4.93	834.72	(992.76)	829.55	987.58	-	1,831.80	130.69	-	130.69	-	100.00%
36	Zydus Pharmaceuticals Mexico Services Company SA De C.V.	09-Sep-10	December 31, 2023	MXN	4.93	27.61	(31.35)	6.81	10.54	-	0.59	0.03	-	0.03	-	100.00%
37	Zydus Therapeutics Inc.	18-Feb-21	March 31, 2024	USD	83.43	28,324.05	(34,849.63)	1,426.49	7,952.05	-	-	(2,602.01)	0.08	(2,602.09)	-	100.00%
38	Zydus Wellness BD Pvt Ltd	18-Nov-21	March 31, 2024	BDT	0.78	28.28	(11.25)	33.18	16.14	-	90.02	(6.97)	1.24	(8.21)	-	57.59%
39	Zynext Ventures PTE. LTD. (#)	21-Feb-23	March 31, 2024	USD	83.43	20.86	(0.56)	21.18	0.88	-	-	(0.56)	-	(0.56)	-	100.00%
40	Zynext Ventures USA LLC (#)	03-Mar-23	March 31, 2024	USD	83.43	18.77	(13.77)	6.92	1.92	-	-	(13.58)	-	(13.58)	-	100.00%
41	Zydus Pharmaceuticals Canada Inc (#)	06-Sep-23	March 31, 2024	CAD	61.63	-	(4.56)	1.80	6.37	-	-	(6.20)	(1.65)	(4.54)	-	100.00%

Sr. No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting year ended	Reporting Currency	Exchange Rate	₹ in Million										
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in subsidiaries	Turnover & Other income from Operations *	Profit/ (Loss) before Taxation *	Provision for Taxation *	Profit/ (Loss) after taxation *	Proposed Dividend	% of share-holding
42	Zydus Pharmaceuticals UK Limited	08-Feb-23	March 31, 2024	GBP	105.33	7,362.57	(268.65)	7,353.70	259.78	-	-	(265.33)	-	(265.33)	-	100.00%
43	LiqMeds Worldwide Limited (**)	06-Nov-23	March 31, 2024	GBP	105.33	0.01	211.51	399.67	188.15	-	383.47	139.07	-	139.07	-	100.00%
44	LiqMeds Limited (**)	06-Nov-23	March 31, 2024	GBP	105.33	10.53	(468.68)	283.86	742.02	-	99.94	66.69	-	66.69	-	100.00%
45	Medsolutions (Europe) Limited (**)	06-Nov-23	March 31, 2024	GBP	105.33	0.02	8.41	23.30	14.87	-	22.12	22.11	-	22.11	-	100.00%
46	LiqMeds Lifecare Limited (**)	06-Nov-23	March 31, 2024	GBP	105.33	0.01	9.49	14.33	4.83	-	-	(30.47)	-	(30.47)	-	100.00%
47	LM Manufacturing Limited (**)	06-Nov-23	March 31, 2024	GBP	105.33	0.42	(1,334.82)	592.64	1,927.04	-	367.39	(80.29)	(12.49)	(67.81)	-	100.00%

Notes:

(*) Converted using average exchange rates prevailing during the year.

(#) Subsidiaries are yet to commence commercial operations.

($) Consolidated accounts of Zydus Pharmaceuticals (USA) Inc. including Nesher Pharmaceuticals (USA) LLC and ZyVet Animal Health Inc.

(**) Financial is for the period from acquisition date (i.e. November 6, 2023) to March 31, 2024.

Zydus Noveltech Inc. is dissolved w.e.f. December 15, 2023 and Hercon Pharmaceuticals, LLC is dissolved w.e.f. May 24, 2023.

For and on behalf of the Board

Muscat, Oman
May 17, 2024

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Pankaj R. Patel
Chairman
DIN: 00131852

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part: "B" - Joint Ventures:

Sr. No.	Name of the Joint Venture	Date of incorporation/ acquisition	Latest Audited Balance Sheet Date	Shares held by the Company			Description of how there is significant influence	Reason why the Joint Venture is not consolidated	Net worth attributable to Shareholding as per latest audited balance sheet (₹ in Million)	Profit for the year	
				No. of Shares	Amount invested (₹ in Million)	Extent of holding (%)				Considered in consolidation (₹ in Million)	Not considered in consolidation (₹ in Million)
1	Zydus Hospira Oncology Private Limited	13-Jun-05	March 31, 2023	7,500,000	75	50.00%	N.A.	N.A.	1,723 *	49 *	-
2	Zydus Takeda Healthcare Private Limited	30-Mar-99	March 31, 2024	10,000,000	100	50.00%	N.A.	N.A.	2,443	1,092	-
3	Bayer Zydus Pharma Private Limited (**)	07-Feb-11	March 31, 2024	12,499,999	125	24.999998%	N.A.	N.A.	399	46	-
4	Oncosol Limited (***)	06-Nov-23	N.A.	50	0.01	50.00%	N.A.	N.A.	(4)*	(3)*	-

(*) Based on unaudited financial statements for the year ended March 31, 2024.

(**) Subsequent to year end, the Board of Directors of the Zydus Lifesciences Limited (the Company), at its meeting held on May 2, 2024, approved to enter into a Share Purchase Agreement (SPA) amongst the Company, Bayer Zydus Pharma Private Limited (BZPPL) and Bayer Pharmaceuticals Private Limited (BPPL) to sell its entire holding of 12,499,999 equity shares (representing 24.999998% of the total paid-up share capital) of BZPPL to BPPL. The said transaction of transfer of shares was completed on May 6, 2024. Post completion of the said transaction, the Company does not hold any shares of BZPPL and it has ceased to be the Joint Venture of the Company.

(***) Financial is for the period from acquisition date (i.e. November 6, 2023) to March 31, 2024.

For and on behalf of the Board

Muscat, Oman
May 17, 2024

Nitin D. Parekh
Chief Financial Officer

Dhaval N. Soni
Company Secretary

Dr. Sharvil P. Patel
Managing Director
DIN: 00131995

Pankaj R. Patel
Chairman
DIN: 00131852

ZYDUS LIFESCIENCES LIMITED

CIN: L24230GJ1995PLC025878

Regd. Office: "Zydus Corporate Park", Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad-382481, Gujarat, India

E-mail: companysecretary@zyduslife.com **Website:** www.zyduslife.com

Phone Number: +91 79 48040000, +91 79 71800000

Notice

Notice is hereby given that the Twenty Ninth Annual General Meeting ("**AGM**") of the members of Zydus Lifesciences Limited ("the **Company**") will be held on Friday, August 9, 2024 at 10.00 a.m. (IST) through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**"). The venue of the AGM shall be deemed to be the Registered Office of the Company. The following businesses will be transacted at the AGM:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2024 and the reports of the Board of Directors and the Auditors thereon:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2024, together with the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby approved and adopted."

2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2024 and the report of the Auditors thereon:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2024, together with the report of the Auditors thereon, as circulated to the members, be and are hereby approved and adopted."

3. **To declare dividend of ₹ 3.00/- (300%) per equity share of ₹ 1.00/- (Rupee One only) each for the Financial Year ended on March 31, 2024:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** approval be and is hereby accorded to declare and pay final dividend of ₹ 3.00/- (Rupees Three only) per equity share of the face value of ₹ 1.00/- (Rupee One only) each fully paid up, of the Company, as recommended by the Board of Directors for the Financial Year ended on March 31, 2024."

4. **To re-appoint Mr. Pankaj R. Patel (DIN-00131852), who retires by rotation and being eligible, offers himself for re-appointment:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of section 152 and other applicable provisions, if any, of The Companies Act, 2013 and rules made thereunder (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force) read with Article 90 of the Articles of Association, Mr. Pankaj R. Patel (DIN-00131852), who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment, be and is hereby re-appointed as a Non-Executive Non-Independent Director, liable to retire by rotation."

5. **To re-appoint Mr. Mukesh M. Patel (DIN-00053892), who retires by rotation and being eligible, offers himself for re-appointment:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of section 152 and other applicable provisions, if any, of The Companies Act, 2013 and rules made thereunder (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force) read with Article 90 of the Articles of Association, Mr. Mukesh M. Patel (DIN-00053892), who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment, be and is hereby re-appointed as a Non-Executive Non-Independent Director, liable to retire by rotation."

SPECIAL BUSINESS:

6. **To ratify remuneration of the Cost Auditors:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 148(3) and other applicable provisions, if any, of The Companies Act, 2013 read with rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014 and applicable provisions, if any, of The Companies (Cost Records and Audit) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, based on the recommendation of the Audit Committee and the Board of Directors ("the **Board**"), the Company be and hereby ratifies the remuneration of ₹ 0.80 mio. (Rupees Eight Hundred Thousand only) plus applicable Goods and Services Tax and out of pocket expenses at actuals for the Financial Year ending on March 31, 2025 to Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company pertaining to Drugs and Pharmaceuticals being manufactured by the Company for the Financial Year ending on March 31, 2025.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

7. **To re-appoint Mr. Ganesh N. Nayak (DIN-00017481) as the Whole Time Director, to be designated as Executive Director:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of sections 2(51), 196, 197, 203 and other applicable provisions, if any, of The Companies Act, 2013, ("the **Act**") read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V of the Act, applicable provisions of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Article 88 of the Articles of Association and based on the recommendation of the Nomination and Remuneration Committee ("**NRC**") and the Board of Directors ("the **Board**"), Mr. Ganesh N. Nayak (DIN-00017481) be and is hereby re-appointed as the Whole Time Director of the Company, to be designated as the Executive Director, for one more year i.e. upto July 12, 2025, notwithstanding the fact that Mr. Ganesh N. Nayak shall attain age of 70 (seventy) years during the term of re-appointment, on payment of salary and perquisites (herein after referred to as "**remuneration**") as provided hereunder and upon terms and conditions as set out in the draft agreement proposed to be executed between the Company and Mr. Ganesh N. Nayak, with an authority to the Board to alter and vary the terms and conditions of the said re-appointment and / or agreement in such a manner as may be agreed to between the Board and Mr. Ganesh N. Nayak.

- Salary: ₹ 7.20 mio. (Rupees Seven Million Two Hundred Thousand only) per month, which includes salary and other allowances
- Commission: as may be recommended by the NRC and approved by the Board, which includes variable pay.

  In addition to salary (fixed pay) and commission (variable pay), Mr. Ganesh N. Nayak shall be entitled to Company's PF contribution, perquisites and leave benefits.

  Provided however that for the Financial Year ending on March 31, 2025, the aggregate remuneration (salary and commission) shall not exceed ₹ 200.00 mio. (Rupees Two Hundred Million only), which is within the statutory limits prescribed under the Act.

  Provided further that for the period from April 1, 2025 till July 12, 2025, the remuneration payable shall be as recommended by the NRC and approved by the Board, which shall be within the statutory limits prescribed under the Act, based on his individual performance and performance of the Company.

  Perquisites will *inter-alia* include premium on (i) personal accident insurance policy as per Company policy, (ii) medical premiums for self and family as per Company policy and (iii) car with driver for official and personal purpose.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, in case the Company has no profits or the profits are inadequate, Mr. Ganesh N. Nayak will be paid Minimum Remuneration within the ceiling limit prescribed under section II of part II of Schedule V of the Act.

RESOLVED FURTHER THAT Mr. Ganesh N. Nayak shall be entitled to benefits of leave during the term of re-appointment as per the Company policy from time to time and any earned leave not enjoyed by him shall be encashed at the end of the tenure, as may be mutually decided between him and the Managing Director.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

8. **To appoint Ms. Shelina P. Parikh (DIN-00468199) as an Independent Director:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and 160 and other applicable provisions, if any, of The Companies Act, 2013, ("the **Act**") read with rules framed thereunder and Schedule IV of the Act and regulations 16(1)(b), 17(1C) and 25(2A) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**"), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, applicable provisions of the Articles of Association and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors ("the **Board**"), Ms. Shelina P. Parikh (DIN-00468199), who was appointed by the Board as an Additional Director as well as an Independent Director ("**ID**") of the Company and who has submitted a declaration that she meets the criteria for independence as provided in the Act and the Listing Regulations and who holds the office till the conclusion of the 29^{th} Annual General Meeting in terms of section 161 of the Act and in respect of whom the Company has received a notice in writing from a member under section 160(1) of the Act, proposing her candidature for the office of Director, be and is hereby appointed as an ID of the Company, for the first term of 5 (five) consecutive years from the date of approval of Board i.e. May 17, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

By order of the Board of Directors

Dhaval N. Soni
Company Secretary
Membership No. FCS7063

Place : Muscat, Oman
Date : May 17, 2024

NOTES:

1. The Explanatory Statement pursuant to the provisions of section 102 of The Companies Act, 2013 ("the **Act**"), in respect of the businesses under Item Nos. 6 to 8 of the Notice is annexed hereto. The Board of Directors ("the **Board**") have considered and decided to include Item Nos. 6 to 8 given above in the Twenty Ninth Annual General Meeting ("**AGM**"), as they are unavoidable in nature. Further, the relevant details with respect to Item Nos. 4 and 5 pursuant to regulation 36(3) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**") and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ("the **ICSI**"), in respect of Directors seeking appointment / re-appointment at this AGM are also annexed.

2. The final dividend on equity shares, if declared at the AGM, will be paid electronically on or after Tuesday, August 13, 2024 to those members whose names appear on the Company's Register of Members or List of Beneficial Owners as received from National Securities Depository Limited ("**NSDL**") or Central Depository Services (India) Limited ("**CDSL**") (NSDL and CSDL are collectively referred to as "the **Depositories**") on Friday, July 26, 2024 i.e. the Record Date fixed for this purpose.

3. The Ministry of Corporate Affairs ("**MCA**") vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, May 5, 2022, December 28, 2022 and September 25, 2023 ("**MCA Circulars for General Meetings**") and The Securities and Exchange Board of India ("**SEBI**") vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and October 7, 2023 ("**SEBI Circulars for General Meetings**") (MCA Circulars for General Meetings and SEBI Circulars for General Meeting are collectively referred to as "the **MCA and SEBI Circulars**"), permitted the holding of the general meetings through VC / OAVM, without the physical presence of the members at a common venue till September 30, 2024. In compliance with the provisions of the Act, the Listing Regulations, MCA and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.

   As the AGM is being held pursuant to MCA and SEBI Circulars through VC / OAVM, the facility to appoint proxy will not be available for the AGM and hence the Proxy Form and the Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

   Further, pursuant to sections 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their vote through e-voting.

   As the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

4. Institutional / Corporate members (i.e. other than individual / HUF, NRI etc.) are required to send a scanned copy (PDF / JPG format) of their Board or governing

body Resolution / Authorization etc. authorizing the representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to Mr. Manoj Hurkat, the Scrutinizer appointed by the Company, by e-mail on his registered e-mail address at manojhurkat@hotmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

5. Members may note that the Board at its meeting held on May 17, 2024 has recommended a dividend of ₹ 3.00/- (300%) per equity share of ₹ 1.00/- (Rupee One only) each. The members holding shares as on Friday, July 26, 2024, will be entitled to receive the dividend declared, if any, for the Financial Year ended on March 31, 2024, by the members at the AGM, (i) as per the list of Beneficial Owners provided by the Depositories in respect of shares held in demat mode and (ii) as per the Register of Members of the Company after giving effect to valid transmission / transposition in physical mode lodged with Link Intime India Private Limited, the Registrar and Transfer Agent of the Company ("the **RTA**") on or before the aforesaid date i.e. Friday, July 26, 2024. The transmission / transposition request, complete in all respects, should reach the RTA well before the above date. The dividend, once approved by the members in the AGM, will be paid on or after 5th day from the date of AGM i.e. Tuesday, August 13, 2024, electronically through various online transfer modes to those members who have updated their bank account details. **Members are hereby notified that as per the SEBI Circular dated November 17, 2023 and SEBI directive vide email to all the Registrar and Transfer Agents dated January 17, 2024, in case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend / interest etc. shall be paid only through electronic mode with effect from April 1, 2024 upon furnishing all the aforesaid details in entirety. If a security holder updates the PAN, Choice of Nomination, Contact Details including Mobile Number, Bank Account Details and Specimen Signature after April 1, 2024, then the security holder would receive all the dividend / interest etc. declared during that period (from April 1, 2024 till date of updation) pertaining to the securities held after the said updation automatically.**

The Company has sent letters to the members to register / update the above details, whose details are either pending and / or incomplete.

6. Those members who have not encashed their dividend cheques pertaining to the following financial years are requested to approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund ("**IEPF**") on the respective dates mentioned there against, pursuant to provisions of section 125 of the Act and the rules framed thereunder. Members are requested to note that after such date, they may apply for refund of any unclaimed dividend which has been transferred to IEPF, under section 125(4) or under proviso to section 125(3), as the case may be, to the IEPF authority by making an online application in the prescribed web Form No. IEPF-5 available on website www.iepf.gov.in along with the prescribed documents and fees as may be decided by the IEPF authority.

Financial Year ended	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to the IEPF Account
March 31, 2018	August 13, 2018	350%	September 19, 2025
March 31, 2019	August 9, 2019	350%	September 15, 2026
March 31, 2020	March 16, 2020	350% @	April 22, 2027
March 31, 2021	August 11, 2021	350%	September 17, 2028
March 31, 2022	August 10, 2022	250%	September 26, 2029
March 31, 2023	August 11, 2023	600%	September 25, 2030

@ Interim dividend

Pursuant to and in compliance with the provisions of section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 dated September 5, 2016 as amended from time to time ("the **IEPF Rules**"), during May 2024, the Company has transferred 207,631 (two hundred seven thousand six hundred thirty one) equity shares held by 180 (one hundred eighty) members whose dividend remained unclaimed / unpaid for a consecutive period of 7 (seven) years to IEPF.

Any member who wishes to claim his / her shares or unclaimed dividend may apply to the IEPF authority by making an online application in the prescribed web Form No. IEPF-5 available on website www.iepf.gov.in along with the prescribed documents and fees.

Pursuant to and in compliance with provisions of rule 5(8) of the IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends as on March 31, 2023 on its website, the link of which is https://www.zyduslife.com/investor/admin/uploads/18/99/Statement-of-Unclaimed-Dividend-account-March-31--2023.pdf and on the website of IEPF- www.iepf.gov.in.

7. The members holding shares in physical mode are requested to intimate Link Intime India Private Limited, the RTA at 5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off. C. G. Road, Navrangpura, Ahmedabad-380006, changes, if any, in their names, registered address along with pin code number, email address, telephone / mobile number, Permanent Account Number ("**PAN**"), mandates, nominations, power of attorneys, bank details such as name of the bank and branch details, bank account number, 9 digit MICR code, 11 digit IFSC, etc. and relevant evidences. Members holding shares in electronic mode shall update such details with their respective DP.

   As per the provisions of section 72 of the Act, the facility of making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to the DP in case the shares are held by them in demat mode and to the Company / RTA, in case the shares are held in physical mode.

   Members holding shares in physical mode, in identical order of names, in more than 1 (one) folios are requested to send to the Company / RTA, the details of such folios together with the share certificates for consolidating their holdings in 1 (one) folio. A letter of confirmation will be issued to such members after making requisite changes.

   In case of joint holders, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

8. The information of the Directors seeking appointment / re-appointment at the AGM is provided at **Annexure-A** to the Notice as prescribed under regulation 36(3) of the Listing Regulations and standard 1.2.5 of Secretarial Standard on General Meetings issued by the ICSI.

9. In compliance with MCA and SEBI Circulars, Notice of the AGM of the Company, *inter-alia*, indicating the process and manner of e-voting and the Annual Report 2023-2024 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / RTA / DP.

10. In order to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical mode are requested to demat their holdings at the earliest.

11. **Mandatory furnishing of KYC details and nomination by holders of physical securities:**

    SEBI, vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, has prescribed certain mandatory provisions with regard to "Common and Simplified Norms for processing investor's request by RTAs and norms for furnishing PAN, KYC details and Nomination", where the shares are held in physical mode. Said SEBI circular prescribes following norms:

    i. Common and simplified norms for processing any service request from the holder, pertaining to the captioned items, by the RTAs.
    ii. Electronic interface for processing investor's queries, complaints and service requests.
    iii. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities.
    iv. Freezing of folios without valid PAN, KYC details and Nomination and
    v. Compulsory linking of PAN and Aadhaar by all holders of physical securities.

    Members of the Company holding shares in physical mode shall provide the following documents / details to the RTA of the Company:

    i. PAN.
    ii. Nomination (for all eligible folios) in Form No. SH-13 or submit declaration to "Opt-Out" in Form No. ISR-3.

        Note: Any cancellation or change in nomination shall be provided in Form No. SH-14.
    iii. Contact details including postal address with pin code, mobile number, e-mail address.
    iv. Bank account details including bank name and branch, bank account number and IFSC.
    v. Specimen signature.

    Please provide the above documents / details to the RTA of the Company along with other basic details like name of the member, folio number, certificate number and distinctive numbers.

    As per the said SEBI circular, the Company has uploaded the following documents (along with the SEBI circular) on the website of the Company:

    i. Form No. ISR-1-request for registering PAN, KYC details or changes / updation thereof.
    ii. Form No. ISR-2-confirmation of signature of securities holder by the Banker.
    iii. Form No. ISR-3-declaration form for opting-out of nomination by holders of physical securities in listed companies.

iv. Form No. SH-13-nomination form.

v. Form No. SH-14-cancellation or variation of nomination.

Further, the contact details of the Company and the RTA are also available on the website of the Company.

SEBI has issued a circular No. SEBI/HO/MIRSD/PoD-1/CIR/2023/37 dated March 16, 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2024/37 dated May 7, 2024) on 'Common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination" which is applicable from April 1, 2023. The norms / procedural requirements for processing service requests of investors are provided in the said SEBI Circular.

The link to view the said SEBI circular dated November 3, 2021 along with the various forms and March 16, 2023 is as under:

https://www.zyduslife.com/shareholderservices#1

https://www.zyduslife.com/public/pdf/SEBI%20Circular_Simplified-norms-for-processing-investors-service-requests_16-03-2023.pdf

Pursuant to the said SEBI circular dated March 16, 2023, the Company has sent letters to all members holding shares in physical mode, whose KYC is pending, to complete their KYC.

SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("**ODR Portal**") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA / Company directly and through existing SCORES platform, the members can initiate dispute resolution through the ODR Portal (https://smartodr.in/login).

12. **Issue of shares in demat mode only:**

SEBI vide its notification dated January 24, 2022 amended certain provisions of the Listing Regulations, *inter-alia* pertaining to issue of shares in demat mode only. Further, SEBI vide its circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 issued operational guidelines for demat of securities received for processing investor's service request.

Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate. It also substantially reduces the risk of fraud. **Therefore, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.**

For more details, please visit our website at https://www.zyduslife.com/shareholderservices#1.

13. SEBI vide its circular dated April 20, 2018 directed all the listed companies to record the PAN and bank account details of all their members holding shares in physical mode. All those members who are yet to update their details with the Company / RTA are requested to do so at the earliest. This will help the members to receive the dividend declared by the Company, directly in their respective bank accounts.

14. **The members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.**

The e-mail address can be registered with the DP in case the shares are held in demat mode and with the RTA in case the shares are held in physical mode.

The members may also note that the Notice of the AGM and the Annual Report 2023-2024 are uploaded and available on the website of the Company, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and CDSL at www.zyduslife.com, www.bseindia.com, www.nseindia.com and www.evotingindia.com respectively. The copies of the documents will also be available for inspection during normal business hours on working days from the date of circulation of the Notice upto the date of AGM. For any communication, members may also send requests to the Company's investor e-mail id companysecretary@zyduslife.com or dhavalsoni@zyduslife.com.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested are available for inspection by the members electronically during the AGM.

15. Members may note that the Income Tax Act, 1961, ("the **IT Act**") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("**TDS**") at the time of making the payment of dividend.

The Company will send an e-mail which will contain the details of prescribed tax rates for various categories of members (Resident Indian, Non-Resident Indian, FIIs, FPIs, etc.), the link to download various blank forms / documents and separate link and e-mail id to upload the signed forms and various documents by the members to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

For the information of the members, it is hereby clarified that no tax will be deducted on payment of dividend to the resident individual members if the total dividend to be paid during a financial year does not exceed ₹ 5,000/- (Rupees Five Thousand Only), or if an eligible resident member has provided a valid declaration in Form No. 15G / Form No. 15H or other documents as may be applicable to different categories of members. The rate of TDS would vary depending on the residential status of the member and documents registered with the Company.

In case TDS is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, an option is still available with the member to file the Return of Income and claim an appropriate refund. No claim shall lie against the Company for such TDS / withholding tax deducted.

In the event of any income tax demand (including interest, penalty, etc.) on the Company arising due to any misrepresentation, inaccuracy or omission of information provided by the member(s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any assessment / appellate proceedings before the Tax / Government Authorities.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

If you are a member of the Company as on Friday, July 26, 2024 and the dividend receivable by you is taxable under the IT Act, the Company shall be obligated to deduct tax at source on the dividend payable as per the applicable provisions under the IT Act.

16. **E-voting (voting through electronic means):**

i. The businesses as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with rule 20 of The Companies (Management and Administration) Rules, 2014, standards 7.2 and 8 of the Secretarial Standard on General Meetings, regulation 44 of the Listing Regulations and pursuant to MCA and SEBI Circulars, the Company is pleased to offer the facility of voting through electronic means, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with CDSL to facilitate the members to cast their votes from a place other than venue of the AGM ("**remote e-voting**"). The facility for voting shall be made available during the AGM through electronic voting and the members participating in the AGM who have not cast their votes by remote e-voting shall be able to exercise their right during the AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.

As the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM in terms of provisions of section 107 of the Act.

ii. Pursuant to MCA and SEBI Circulars, physical attendance of the members at the AGM venue is not required and AGM can be held through VC / OAVM.

iii. The members can join the AGM through VC / OAVM mode 15 (fifteen) minutes before the scheduled time of the AGM and within 15 (fifteen) minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1,000 (one thousand) members on first come first served basis. This will be in addition to large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

iv. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act.

v. A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the Depositories as on Friday, August 2, 2024, being the cut-off date, shall be entitled to avail the facility of remote e-voting or e-voting during the AGM. Persons who are not members as on the cut-off date, but have received this Notice, should treat receipt of this Notice for information purpose only.

The members who have cast their votes by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their votes again.

The members whose names appear in the Register of Members / List of Beneficial Owners as on Friday, August 2, 2024 are entitled to vote on the resolutions set forth in the Notice. Eligible members who have acquired shares after sending the Notice electronically and holding shares as on the cut-off date may approach the Company for seeking assistance for issuance of the User Id and Password for exercising their right to vote by electronic means.

vi. **Process for those members whose e-mail ids / mobile numbers are not registered with the Company / RTA / Depositories:**

I. Members holding shares in physical mode- please provide to the Company / RTA, duly filled and signed Form No. ISR-1 and ISR-2, format of which is available on the website of the **Company / RTA**.

II. The members holding shares in demat mode- please update your e-mail id and mobile number with your respective DP.

III. Individual members holding shares in demat mode-please update your e-mail id and mobile number with your respective DP which is mandatory for e-voting and joining the AGM through VC / OAVM through Depository.

vii. **Instructions for members for remote voting, e-voting during AGM and joining the AGM through VC / OAVM are as under:**

I. The remote e-voting period commences at **9:00 a.m. (IST) on Tuesday, August 6, 2024 and ends at 5:00 p.m. (IST) on Thursday, August 8, 2024.** During this period members of the Company, holding shares either in physical mode or in demat mode, as on the cut-off date i.e. Friday, August 2, 2024, may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

II. The members who have already voted prior to the AGM date would not be entitled to vote during the AGM.

III. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations, listed companies are required to provide remote e-voting facility to its members in respect of all members' resolutions.

Currently there are multiple e-voting service providers ("**ESPs**") providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user ids and passwords by the members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, SEBI has decided to enable e-voting for all the demat account holders by way of a single login credential, through their demat accounts / websites of Depositories / DPs. Demat account holders would be able to cast their votes without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process.

IV. In view of the aforesaid SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. **Members are advised to update their mobile number and e-mail id in their demat accounts in order to access e-voting facility.** Pursuant to the aforesaid SEBI Circular, login method for e-voting and joining virtual meetings for individual members holding shares in demat mode is given below:

Type of members	Login methods
Individual member holding shares in demat mode with **CDSL**	1. Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest is www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login, the Easi / Easiest user will be able to see the e-voting option. On clicking the e-voting option, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL / NSDL / Karvy / Link Intime as per information provided by Issuer / Company for casting the vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, we are providing links to ESPs, so that the user can visit the ESPs' site directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number & e-mail id as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.
Individual member holding shares in demat mode with **NSDL**	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 4. Members can also download NSDL mobile app "NSDL SPEED-e" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of members	Login methods
Individual member (holding shares in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

Helpdesk for individual members holding securities in demat mode for any technical issues related to login through Depositories:

Login type	Helpdesk numbers
Individual members holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual members holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

V. Login method for e-voting and joining AGM through VC / OAVM for **members holding shares in physical mode and members other than individual members holding shares in demat mode** is as under:

1. The members should login on to the remote e-voting website www.evotingindia.com.
2. Click on Shareholders.
3. Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID, (e.g. if your beneficiary ID is 12**************, then your user ID is 12**************
   b. For NSDL: 8 Character DP ID followed by 8 digits Client ID, (e.g. if your DP ID is IN300*** and Client ID is 12******, then your user ID is IN300***12******
   c. Members holding shares in physical mode should enter Folio Number registered with the Company (e.g. if your folio number is 1*****, then your user UD is 1*****)
4. Next enter the Image Verification as displayed and click on Login.
5. If you are holding shares in demat mode and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

	For members holding shares in physical mode and members other than individual members holding shares in demat mode
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both, members holding shares in physical mode and members other than individual members holding shares in demat mode).
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank details or Date of Birth (DOB) (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat mode will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company in which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9. For members holding shares in physical mode, the details can be used only for e-voting on the resolutions contained in the Notice.

10. Click on the EVSN for ZYDUS LIFESCIENCES LIMITED on which you choose to vote.

11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent (agree) to the Resolution and option NO implies that you dissent (disagree) to the Resolution.

12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

13. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

15. You can also take a print of the vote cast by clicking on "Click here to print" option on the Voting page.

16. If demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

17. For members other than individual members, there is also an optional provision to upload Board Resolution ("**BR**") / Power of Attorney ("**POA**") which if uploaded, will be made available to scrutinizer for verification.

18. Note for Non-Individual members and Custodians (For Remote Voting only):

    - Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
    - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
    - A scanned copy of the BR and POA which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
    - Alternatively, Non-Individual members are required to send the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the scrutinizer at his email id i.e. manojhurkat@hotmail.com and to the Company at the email id i.e. companysecretary@zyduslife.com or dhavalsoni@zyduslife.com, if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

A member can opt for only one mode of voting i.e. either through remote e-voting or during the AGM. If a member cast votes by both modes, then voting done through remote e-voting shall prevail.

The Company has appointed Mr. Manoj Hurkat, Practicing Company Secretary (Membership No. FCS4287), to act as the Scrutinizer for conducting the remote e-voting and e-voting during the AGM in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the resolutions at the AGM shall be announced by the Chairman or any other person authorised by him immediately after the results are declared.

The results declared along with the Scrutinizer's Report, will be posted on the website of the Company www.zyduslife.com and on the website of CDSL www.cdslindia.com and will be displayed on the Notice Board of the Company at its registered office immediately after the declaration of the results by the Chairman or any other person authorised by him and communicated to the Stock Exchanges.

viii. **Instructions for members attending the AGM through VC / OAVM and e-voting during AGM are as under:**

I. The procedure for attending the AGM and e-voting on the day of AGM is same as the instructions mentioned above for remote e-voting.

II. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

III. The members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.

IV. The members are encouraged to join the AGM through Laptops / I-Pads for better experience.

V. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

VI. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.

VII. The members who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending their request in advance **at least 7 (seven) days prior to the AGM** mentioning their name, demat account number / folio number, e-mail id, mobile number at the Company's e-mail id. The members who do not wish to speak during the AGM but have queries may send their queries in advance **7 (seven) days prior to the AGM** mentioning their name, demat account number / folio number, e-mail id, mobile number at the Company's e-mail id. These queries will be replied to by the Company suitably.

VIII. Those members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.

IX. Only those members, who are present in the AGM through VC / OAVM facility and have not cast their votes on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

X. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the AGM through VC / OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

If you have any queries or issues regarding attending AGM and e-voting from the e-voting system, you can write an e-mail to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Request to the members:

The members desiring any relevant information on the Audited Financial Statements or any matter to be placed at the AGM are requested to write to the Company at least 7 (seven) days in advance of the date of AGM through e-mail on companysecretary@zyduslife.com or dhavalsoni@zyduslife.com. The same will be replied by the Company suitably.

ZYDUS LIFESCIENCES LIMITED

CIN: L24230GJ1995PLC025878
Regd. Office: "Zydus Corporate Park", Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Near Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad-382481, Gujarat, India
E-mail: companysecretary@zyduslife.com **Website:** www.zyduslife.com
Phone Number: +91 79 48040000, +91 79 71800000

Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013:

The following statement sets out all material facts relating to the businesses under Item Nos. 6 to 8 of the accompanying Notice dated May 17, 2024.

Item No. 6:

In accordance with the provisions of section 148 of the Act and rule 14 of The Companies (Audit and Auditors) Rules, 2014 ("the **Rules**") and applicable provisions, if any, of The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to Drugs and Pharmaceuticals manufactured by the Company.

On the recommendation of the Audit Committee, the Board of Directors ("the **Board**") had approved the appointment of Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) as the Cost Auditors of the Company to conduct audit of cost records of the Company for the Financial Year ending on March 31, 2025, with a remuneration of ₹ 0.80 mio. (Rupees Eight Hundred Thousand only) plus applicable Goods and Services Tax and out of pocket expenses at actuals.

Dalwadi & Associates, Cost Accountants, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. As per the provisions of section 148(3) of the Act, read with rule 14(a)(ii) of the Rules, the remuneration payable to the Cost Auditors shall be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the passing of the resolution as an Ordinary Resolution as set out at Item No. 6 of the Notice.

Item No. 7:

Mr. Ganesh N. Nayak (DIN-00017481) was appointed as the Whole Time Director, designated as the Executive Director, of the Company for a period of 3 (three) years w.e.f. July 12, 2021. His appointment will expire on July 11, 2024.

The Board, based on the recommendation of the Nomination and Remuneration Committee ("**NRC**"), at its meeting held on May 17, 2024, re-appointed Mr. Ganesh N. Nayak, as the Whole Time Director, designated as the Executive Director, for one more year i.e. upto July 12, 2025, notwithstanding the fact that Mr. Ganesh N. Nayak shall attain age of 70 (seventy) years during the term of re-appointment, on below mentioned remuneration:

- Salary: ₹ 7.20 mio. (Rupees Seven Million Two Hundred Thousand only) per month, which includes salary and other allowances
- Commission: as may be recommended by the NRC and approved by the Board, which includes variable pay.

  In addition to salary (fixed pay) and commission (variable pay), Mr. Ganesh N. Nayak shall be entitled to Company's PF contribution, perquisites and leave benefits.

  Provided however that for the Financial Year ending on March 31, 2025, the aggregate remuneration (salary and commission) shall not exceed ₹ 200.00 mio. (Rupees Two Hundred Million only), which is within the statutory limits prescribed under the Act.

  Provided further that for the period from April 1, 2025 till July 12, 2025, the remuneration payable shall be as recommended by the NRC and approved by the Board, which shall be within the statutory limits prescribed under the Act, based on his individual performance and performance of the Company.

For determining the quantum of remuneration of an executive director, certain performance indicators are considered, which *inter-alia* includes the revenue growth, EBITDA growth, ESG goals, creation of stakeholders' long-term value and return on investment.

Mr. Ganesh N. Nayak has furnished his consent / declaration for his re-appointment as required under the Act and the rules framed thereunder.

In the opinion of the Board, Mr. Ganesh N. Nayak fulfills the conditions specified in the Act and rules framed thereunder and the Listing Regulations.

Considering the vast experience and knowledge in the field of marketing and pharmaceutical business and his strategic leadership and marketing acumen, it would be in the interest of the Company that Mr. Ganesh N. Nayak be re-appointed as the Whole Time Director, designated as the Executive Director of the Company for one more year i.e. upto July 12, 2025, notwithstanding the fact that Mr. Ganesh N. Nayak shall attain age of 70 (seventy) years during the term of re-appointment. As the appointment is till July 12, 2025 (i.e. before the AGM in calendar year 2025) question of retirement by rotation does not arise.

The Executive Director reports to the Managing Director.

Mr. Ganesh N. Nayak fulfills all the conditions prescribed under Part I of Schedule V of the Act. Mr. Ganesh N. Nayak will be paid salary and perquisites during the currency of his tenure of re-appointment based on his performance evaluation by the NRC, as per the amount provided in the resolution set out at Item No. 7 of the Notice.

The NRC also reviewed the gradual shift in the roles and responsibilities of Mr. Ganesh N. Nayak. There has been a gradual reduction in the areas / functions which are managed and supervised by Mr. Ganesh N. Nayak over the last few years.

Mr. Ganesh N. Nayak shall be paid Minimum Remuneration, where the profits of the Company are inadequate or the Company does not earn profits as provided in Part II of Schedule V of the Act subject to all requisite disclosure and compliances. The Company and Mr. Ganesh N. Nayak are entitled to terminate the agreement of appointment by giving not less than 6 (six) months' notice in writing to either party. If Company terminates the agreement without giving aforesaid notice, Mr. Ganesh N. Nayak shall be entitled to receive 6 (six) months' remuneration in lieu of notice. If re-appointment is approved by the members, the renewed agreement will have a termination clause of 3 (three) months in place of the existing 6 (six) months.

Save and except Mr. Ganesh N. Nayak himself and his relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the passing of the resolution as a Special Resolution as set out at Item No. 7 of the Notice.

Item No. 8:

Pursuant to the recommendation of the NRC, the Board at its meeting held on May 17, 2024 appointed Ms. Shelina P. Parikh (DIN-00468199) as an Additional Director as well as an Independent Director ("**ID**") w.e.f. May 17, 2024 for the first term of 5 (five) consecutive years subject to approval of members by way of a special resolution.

As per regulation 17(1C) of the Listing Regulations, approval of members for appointment of person on the Board should be taken at the next General Meeting or within a period of 3 (three) months from the date of appointment, whichever is earlier. Further, as per regulation 25(2A) of Listing Regulations, the appointment of an ID shall be subject to approval of members by way of a special resolution.

As per the provisions of section 149(13) read with explanation to section 152(6) of the Act, the period of office of an ID will not be liable to retire by rotation at an Annual General Meeting.

The Company has received a Notice in writing from a member of the Company under section 160 of the Act, proposing her candidature for the office of ID. She meets the criteria of independence as provided in section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations and is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given her consent to act as a Director. She has declared that she is not restrained from acting as a Director by virtue of any order passed by SEBI or any such authority.

She fulfils the conditions for appointment as an ID as specified in the Act and the rules framed thereunder and the Listing Regulations and is independent of the management.

She has also confirmed that she is in compliance with rules of The Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of IDs maintained by The Indian Institute of Corporate Affairs. She will comply with the statutory provisions w.r.t. passing the online proficiency self-assessment test within the stipulated time frame.

The NRC reviewed the skills and capabilities of Ms. Shelina P. Parikh vis-a-vis the role and capabilities required as decided by the NRC based on the evaluation of balance of skills, knowledge and experience of the existing Board and considered appropriate, to recommend the appointment of Ms. Shelina P. Parikh as an ID, for a term of 5 (five) consecutive years w.e.f. May 17, 2024. In the opinion of the NRC and the Board, she possesses appropriate skills, knowledge and expertise required for the efficient functioning of the Company, more particularly in the areas of business and management and CSR.

In the opinion of the Board, the Company will benefit from her valuable experience, knowledge and counsel.

Accordingly, it is proposed to appoint Ms. Shelina P. Parikh as an ID of the Company, not liable to retire by rotation for a term of 5 (five) consecutive years w.e.f. May 17, 2024.

Copy of the letter for appointment setting out the terms and conditions applicable to an ID as applicable to Ms. Shelina P. Parikh is available on the Company's website www.zyduslife.com and shall be available for inspection, during the normal business hours, upto the date of AGM, basis the request being sent by member on companysecretary@zyduslife.com or dhavalsoni@zyduslife.com, mentioning their name, Folio no. / DP ID and Client ID with a self-attested copy of their PAN Card or Aadhar Card attached to the email.

The resolution contained in Item No. 8 of the accompanying Notice, accordingly, seeks approval of members for appointment of Ms. Shelina P. Parikh as an ID on the Board of the Company on the terms and conditions as specified in the draft letter of appointment.

Save and except Ms. Shelina P. Parikh herself and her relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the passing of the resolution as a Special Resolution as set out at Item No. 8 of the Notice.

By order of the Board of Directors

Dhaval N. Soni
Company Secretary
Membership No. FCS7063

Place : Muscat, Oman
Date : May 17, 2024

Annexure-A

Details of Directors seeking appointment / re-appointment at the Twenty Ninth Annual General Meeting

(Pursuant to the Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India)

Name of the Director	Mr. Pankaj R. Patel, Non-Executive Non-Independent Director, Chairman
DIN	00131852
Date of Birth	March 16, 1953
Age	71 years
Date of first appointment on the Board	May 15, 1995
Date of re-appointment by the members	August 10, 2022
Qualifications	M. Pharm
Brief resume and nature of expertise in functional areas	Mr. Pankaj Patel is the Chairman of the Company, a discovery-driven, global Lifesciences company with operations in 55 countries worldwide. A stalwart and a visionary, Mr. Pankaj Patel combines both research and techno-commercial expertise. He has published over 100 research papers in peer reviewed journals and is a co-inventor in more than 64 patents. He has been conferred with D. Sc. (Honoris Causa) by Dr. A.P.J. Abdul Kalam Technical University, Lucknow. Mr. Pankaj Patel has been appointed as the non-official Director in Central Board of the Reserve Bank of India. He is on the board of several institutions, including Chairman of the Board of Governors of IIM Ahmedabad and Chairman of IIM Udaipur and Invest India. He is also a Member of the Governing Board of India Pharmacopoeia Commission (IPC), Ministry of Health & Family Welfare, Government of India. He is also a Member of the CEO Advisory Committee of International Generics and Biosimilars Association (IGBA). Mr. Pankaj Patel is a Past President of the Federation of Indian Chamber of Commerce & Industry (FICCI). He also officiates on the board of several Not-for-Profit & charitable institutions. Mr. Pankaj Patel is the Executive Chairman of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute, a Regional Cancer Centre and one of the largest cancer centres of India, reaching out to the needy and underprivileged cancer patients. He also officiates as the Chairman of the Deaf and Mute School, Ahmedabad. He is also the Chairman of Zydus Foundation, which has set up Zydus Hospital and Medical College, Dahod. In recognition of his contributions to the healthcare industry in India, Mr. Pankaj Patel is a recipient of several awards including the Acharya PC Ray Memorial Gold Medal Award and the Eminent Pharmacist Award, the India Innovator Award at the India Business Leaders Awards instituted by CNBC. For his entrepreneurial vision, Mr. Pankaj Patel was awarded the Ernst & Young Entrepreneur of the Year Award in the Life Sciences category.
Relationship with other Directors and Key Managerial Personnel	Dr. Sharvil P. Patel, Managing Director is son of Mr. Pankaj R. Patel.

Name of the Director	**Mr. Pankaj R. Patel, Non-Executive Non-Independent Director, Chairman**

Name of companies (except foreign companies) in which Mr. Pankaj R. Patel holds Directorships and Memberships of Committees of the Board

A. Directorships in listed companies:

1. Zydus Lifesciences Limited
2. Bayer CropScience Limited

Mr. Pankaj R. Patel ceased to be the ID of Torrent Power Limited w.e.f. March 31, 2024, upon completion of tenure. He has not resigned from any listed company in the past 3 (three) years.

B. Directorships in unlisted public companies:

1. Zydus Foundation
2. Nirma Limited
3. Great Eastern Energy Corporation Limited
4. Invest India

C. Directorships in private companies:

1. Pripan Investment Private Limited
2. Cadmach Machinery Company Private Limited
3. Zydus Hospitals and Healthcare Research Private Limited
4. Cadila Laboratories Private Limited
5. Cadila Lifesciences Private Limited
6. Western Ahmedabad Effluent Conveyance Company Private Limited
7. Zydus Takeda Healthcare Private Limited

D. Committee positions in companies:

Sr. No.	Name of the Company	Name of the Committee	Position
1.	Zydus Lifesciences Limited	Corporate Social Responsibility and Environment Social and Governance Committee	Chairman
		Stakeholders' / Investors' Relationship Committee	Member
		Risk Management Committee	Chairman
		Share Transfer Committee	Chairman
		Finance and Administration Committee	Chairman
2.	Bayer CropScience Limited	Corporate Social Responsibility Committee	Member
		Stakeholders' / Investors' Relationship Committee	Chairman
3.	Pripan Investment Private limited	Corporate Social Responsibility Committee	Chairman
4.	Cadmach Machinery Company Private Limited	Corporate Social Responsibility Committee	Chairman
5.	Zydus Hospitals and Healthcare Research Private Limited	Corporate Social Responsibility Committee	Chairman

Number of shares held in the Company	754,401,994* (Seven Hundred Fifty Four Million Four Hundred One Thousand Nine Hundred Ninety Four) (74.97% of the total paid-up share capital of the Company)

Name of the Director	Mr. Pankaj R. Patel, Non-Executive Non-Independent Director, Chairman
Terms and conditions of re-appointment	• Re-appointment pursuant to the provisions of section 152 of the Act • Liable to retire by rotation • Entitled to receive sitting fees for attending board and committee meetings He has voluntarily decided not to receive commission.
Total remuneration drawn in Financial Year ended on March 31, 2024	₹ 1.20 mio. (Rupees One Million Two Hundred Thousand only) towards sitting fees. He has not received any remuneration from any subsidiary companies of the Company.
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2024	Mr. Pankaj R. Patel has attended all the Board, Committee and General meetings held during the Financial Year ended on March 31, 2024.
Declaration	Mr. Pankaj R. Patel is not debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

* including 754,313,343 shares held as a Trustee of Zydus Family Trust; (b) 29,550 shares held as a Karta of Pankaj R. Patel HUF; (c) 14,700 shares held as a Trustee of R B Patel Will Pankaj Trust; (d) 14,775 shares held as a Karta of Pankaj R. Patel Smaller HUF; (e) 14,775 shares held as a Trustee of Taraben Patel Family Will Trust; and (f) 14,851 shares held in individual capacity.

Name of the Director	Mr. Mukesh M. Patel, Non-Executive Non-Independent Director
DIN	00053892
Date of Birth	January 22, 1954
Age	70 years
Date of first appointment on the Board	August 1, 1997
Date of re-appointment by the members	August 10, 2022
Qualifications	Law graduate
Brief resume and nature of expertise in functional areas	An eminent Advocate and a leading International Tax Expert, Mukesh Patel enjoys close to five decades of experience as a Veteran in the legal profession, during which he has also been passionately committed to the causes of Teaching Law and promoting Tax Payer Education, both through the Print and Electronic Media. A prolific writer and speaker, his tally of over 5,000 Weekly Columns in English and Gujarati, close to 50 editions of his Book Titles and more than 500 TV Shows on Tax and Investment Planning with leading Print and Electronic Media have come to be acknowledged as a unique and unprecedented record. In recognition of the same, he has been acclaimed with the Honour as 'Champion of Tax Payer Education' at the All-India Tax Congress. Closely involved with the analysis of Union Budgets since 1977, his studied and thought-provoking annual presentations are eagerly looked forward to. He was appointed by the Government of India to serve as a Member on the Justice Easwar Committee for Simplification of the Income-tax Act, Rules and Procedures and as an Expert on the Six Member Task Force entrusted with the key assignment of drafting a New Income-Tax Law. He is a Director on the Board of a number of reputed Public Companies. He has served as President of Ahmedabad Management Association, Gujarat Chamber of Commerce & Industry, Indian Red Cross Society, Indo-Japan Friendship Association and All Gujarat Federation of Tax Consultants. He enjoys the honour of having been conferred with several International Awards and Recognitions, including the highest Decoration from the Emperor of Japan-'Order of the Rising Sun.' In 2024, Mukesh Patel has come to be appointed as the First Honorary Consul of Japan in India.
Relationship with other Directors and Key Managerial Personnel	None

<table>
<tr><th>Name of the Director</th><th>Mr. Mukesh M. Patel, Non-Executive Non-Independent Director</th></tr>
<tr><td>Name of companies in which Mr. Mukesh M. Patel holds Directorships and Memberships of Committees of the Board</td><td>
A. Directorships in listed companies:
1. Zydus Lifesciences Limited
2. Force Motors Limited
Mr. Mukesh M. Patel has ceased to be the ID of The Sandesh Limited and Johnson Controls Hitachi Air-Conditioning India Limited w.e.f. March 31, 2024 upon completion of his tenure. He has not resigned from any listed company in the past 3 (three) years.
B. Directorships in unlisted public companies:
1. Desai Brothers Limited
2. Cliantha Research Limited
3. Jade Blue Lifestyle India Limited
4. Gulmohar Greens-Golf and Country Club Limited
C. Directorships in private companies:
1. Desai Foods Private Limited
D. Committee positions in companies:
<table>
<tr><th>Sr. No.</th><th>Name of the Company</th><th>Name of the Committee</th><th>Position</th></tr>
<tr><td rowspan="3">1.</td><td rowspan="3">Zydus Lifesciences Limited</td><td>Stakeholders' / Investors' Relationship Committee</td><td>Chairman</td></tr>
<tr><td>Risk Management Committee</td><td>Member</td></tr>
<tr><td>Share Transfer Committee</td><td>Member</td></tr>
<tr><td rowspan="3">2.</td><td rowspan="3">Force Motors Limited</td><td>Audit Committee</td><td>Chairman</td></tr>
<tr><td>Nomination and Remuneration Committee</td><td>Member</td></tr>
<tr><td>Corporate Social Responsibility Committee</td><td>Chairman</td></tr>
<tr><td rowspan="2">3.</td><td rowspan="2">Desai Brothers Limited</td><td>Audit Committee</td><td>Chairman</td></tr>
<tr><td>Nomination and Remuneration Committee</td><td>Member</td></tr>
<tr><td rowspan="3">4.</td><td rowspan="3">Cliantha Research Limited</td><td>Audit Committee</td><td>Member</td></tr>
<tr><td>Nomination and Remuneration Committee</td><td>Member</td></tr>
<tr><td>Corporate Social Responsibility Committee</td><td>Chairman</td></tr>
<tr><td rowspan="2">5.</td><td rowspan="2">Jade Blue Lifestyle India Limited</td><td>Audit Committee</td><td>Member</td></tr>
<tr><td>Nomination and Remuneration Committee</td><td>Member</td></tr>
</table>
</td></tr>
<tr><td>Number of shares held in the Company</td><td>11,687 (Eleven Thousand Six Hundred Eighty Seven) (0.0011% of the total paid-up share capital of the Company)
Mr. Mukesh M. Patel is not holding any shares as a beneficial owner.</td></tr>
<tr><td>Terms and conditions of re-appointment</td><td>• Liable to retire by rotation
• Entitled to receive sitting fees for attending board and committee meetings
• Entitled to receive commission as may be decided by the Board</td></tr>
<tr><td>Total remuneration drawn in Financial Year ended on March 31, 2024</td><td>₹ 1.00 mio. (Rupees One Million only) towards sitting fees and ₹ 3.00 mio. (Rupees Three Million only) towards commission, aggregating to ₹ 4.00 mio. (Rupees Four Million only)
He has not received any remuneration from any subsidiary companies of the Company.</td></tr>
<tr><td>Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2024</td><td>Mr. Mukesh M. Patel has attended all the Board, Committee and General meetings held during the Financial Year ended on March 31, 2024.</td></tr>
<tr><td>Declaration</td><td>Mr. Mukesh M. Patel is not debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.</td></tr>
</table>

<table>
<tr><th>Name of the Director</th><th>Mr. Ganesh N. Nayak, Executive Director</th></tr>
<tr><td>DIN</td><td>00017481</td></tr>
<tr><td>Date of Birth</td><td>May 18, 1955</td></tr>
<tr><td>Age</td><td>69 years</td></tr>
<tr><td>Date of first appointment on the Board</td><td>July 12, 2017</td></tr>
<tr><td>Date of re-appointment by the members</td><td>August 11, 2021</td></tr>
<tr><td>Qualifications</td><td>Bachelor of Science, MBA from Newport University, California, USA. Mr. Ganesh N. Nayak has done General Management Programme from Harvard Business School, Boston, USA.</td></tr>
<tr><td>Brief resume and nature of expertise in functional areas</td><td>Mr. Ganesh N. Nayak, Executive Director of the Company, spearheads business of the Zydus Group, including its Joint Ventures and Alliances. He joined the Zydus Group in 1977. With experience of more than 47 years, he has contributed significantly to the growth of the Company over the years. The Company has successfully undertaken several expansion plans during his association. With strategic insight and business acumen, Mr. Ganesh N. Nayak has played a key role in several M&A deals and alliances. Strategic management skills, long standing expertise in sales and marketing and new insights from the Harvard Business School have catapulted Mr. Ganesh N. Nayak to the global league of marketing professionals.

He has knowledge and expertise in pharmaceuticals, marketing, business and management.</td></tr>
<tr><td>Relationship with other Directors and Key Managerial Personnel</td><td>None</td></tr>
<tr><td>Name of companies in which Mr. Ganesh N. Nayak holds Directorships and Memberships of Committees of the Board</td><td>A. Directorships in listed companies:
1. Zydus Lifesciences Limited
2. Zydus Wellness Limited
Mr. Ganesh N. Nayak has not resigned from any listed company in the past 3 (three) years.
B. Directorships in unlisted public companies:
Zydus VTEC Limited
C. Directorships in private companies:
1. Zydus Takeda Healthcare Private Limited
2. Zydus Hospira Oncology Private Limited
3. German Remedies Healthcare Private Limited
D. Committee positions in companies:
<table>
<tr><th>Sr. No.</th><th>Name of the Company</th><th>Name of the Committee</th><th>Position</th></tr>
<tr><td>1.</td><td>Zydus Lifesciences Limited</td><td>Finance and Administration Committee</td><td>Member</td></tr>
<tr><td rowspan="5">2.</td><td rowspan="5">Zydus Wellness Limited</td><td>Stakeholder's / Investor's Relationship Committee</td><td>Chairman</td></tr>
<tr><td>Audit Committee</td><td>Member</td></tr>
<tr><td>Corporate Social Responsibility and Environment Social and Governance Committee</td><td>Member</td></tr>
<tr><td>Share Transfer Committee</td><td>Member</td></tr>
<tr><td>Finance and Administration Committee</td><td>Member</td></tr>
<tr><td>3.</td><td>Zydus Hospira Oncology Private Limited</td><td>Corporate Social Responsibility Committee</td><td>Member</td></tr>
</table></td></tr>
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Name of the Director	Mr. Ganesh N. Nayak, Executive Director
Number of shares held in the Company	246,278 (Two Forty Six Thousand Two Hundred Seventy Eight) (0.02% of the total paid-up share capital of the Company) Mr. Ganesh N. Nayak is not holding any shares as a beneficial owner.
Terms and conditions of re-appointment	As mentioned in the resolution and explanatory statement.
Total remuneration drawn in Financial Year ended on March 31, 2024	<table><tr><th>Sr. No.</th><th>Remuneration</th><th>Amount (₹ In mio.)</th></tr><tr><td>1.</td><td>Fixed</td><td>72.00</td></tr><tr><td>2.</td><td>Variable</td><td>68.00</td></tr><tr><td colspan="2">**Total remuneration**</td><td>**140.00**</td></tr></table>**Notes:** 1. Fixed pay is paid during the Financial Year ended on March 31, 2024 and the variable pay was recommended by the NRC to the Board for payment. 2. Fixed portion includes salary and other allowances and variable portion includes commission. 3. In addition to fixed pay and variable pay, Mr. Ganesh N. Nayak is entitled to Company's PF contribution, perquisites and leave benefits. Further, Mr. Ganesh N. Nayak has not received any remuneration from the subsidiary companies of Zydus Group, except ₹ 1.00 mio. (Rupees One Million only) towards sitting fees for attending the Board and committee meetings of Zydus Wellness Limited, the subsidiary company.
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2024	Mr. Ganesh N. Nayak has attended all the Board, Committee and General meetings held during the Financial Year ended on March 31, 2024.
Declaration	Mr. Ganesh N. Nayak is not debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Name of the Director	Ms. Shelina P. Parikh, Independent Director
DIN	00468199
Date of Birth	July 25, 1968
Age	55 years
Date of first appointment on the Board	May 17, 2024
Date of re-appointment by the members	Not Applicable
Qualifications	BA from Brown University and MBA from Harvard Business School
Brief resume and nature of expertise in functional areas	Shelina P. Parikh is the Joint Managing Director of TechNova Group, a privately-held, family business group with interests in imaging solutions, chemicals and industrial products. Its main company, TechNova Imaging Systems, is the largest manufacturer of offset and digital print solutions in India, and the fifth largest in the world. TechNova's business portfolio covers Specialty Chemicals, Offset Printing Plates, Digital Print Media and Digital Print Equipment & Software. Globally recognised as a pioneer, TechNova's innovative products cater to a range of industries such as Commercial & Newspaper Printing, Packaging, Publishing, Signage, Photo, Textile and Medical Imaging. As Joint Managing Director, Shelina is passionate about innovation, technology and mentoring leaders. She is instrumental in strengthening TechNova's strategic operations, business transformation, market leadership position, digitisation and new growth engines. Her emphasis on the spiritual values of zero-ego, humility, trust, transparency, kindness and life-time employment are combined with a focus on high performance metrics, passion for excellence, leaner structures and strong corporate governance. This unique ethos has established a vibrant, innovative organisation that is recognised as a global leader in the Imaging Industry. Shelina is a member of Young Presidents Organisation and a founding member of Entrepreneurs Organisation in India. Shelina remains engaged with Harvard Business School, as Vice President of the HBS Global Alumni Board and member of the HBS South Asia Advisory Board.
Relationship with other Directors and Key Managerial Personnel	None
Name of companies in which Ms. Shelina P. Parikh holds Directorships and Memberships of Committees of the Board	**A. Directorships in unlisted public companies:** 1. TechNova Foundation **B. Directorship in private companies:** 1. TechNova Imaging Systems Private Limited 2. TechNova Ventures Limited 3. TechNova PrePress Solutions Private Limited 4. Callido Learning Private Limited **C. Committee positions in companies:** None
Number of shares held in the Company	4,400 (Four Thousand Four Hundred)
Terms and conditions of appointment	• Not liable to retire by rotation • Entitled to receive sitting fees for attending board and committee meetings • Entitled to receive commission as may be decided by the Board
Total remuneration drawn in Financial Year ended on March 31, 2024	Not Applicable

Name of the Director	Ms. Shelina P. Parikh, Independent Director
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2024	Not Applicable
Declaration	Ms. Shelina P. Parikh is not debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

INFORMATION AT A GLANCE

Particulars	Details
Day, Date and time of AGM	Friday, August 9, 2024 at 10.00 a.m. (IST)
Mode	Video Conferencing / Other Audio Visual Means
E-voting website of CDSL	www.evotingindia.com
Record Date for dividend	Friday, July 26, 2024
Dividend payment date	On or after Tuesday, August 13, 2024
Cut-off date for e-voting	Friday, August 2, 2024
E-voting start date and time	Tuesday, August 6, 2024 at 9.00 a.m. (IST)
E-voting end date and time	Thursday, August 8, 2024 at 5.00 p.m. (IST)
Last date for speaker registration and sending questions	Friday, August 2, 2024
Date of declaration of voting results	Friday, August 9, 2024
Name, address and contact details of e-voting service provider	**Central Depository Services (India) Limited** A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel, Mumbai-400001. Mr. Rakesh Dalvi Sr. Manager-CDSL **Contact details:** Email address: helpdesk.evoting@cdslindia.com Toll free number: 1800 22 55 33
Name, address, and contact details of Registrar and Share Transfer Agent	Link Intime India Private Limited C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg Vikhroli (West), Mumbai-400083 Tel No.: +91 810 811 8484 Email address: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

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Dedicated To Life

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