INDEPENDENT AUDITORS' REPORT

To the Members of ZYDUS ANIMAL HEALTH AND INVESTMENTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Zydus Animal Health and Investments Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in Equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information ("the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our audit reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept, so far as it appears from our examination of those books. The backup of the books of account and other books and papers maintained in electronic mode, has been maintained on daily basis on servers physically located in India during the year.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors, is disqualified as on March 31, 2026 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" attached to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer note - 25 of financial statements.

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

   iii. The Company is not required to transfer any amount 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, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to 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, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material misstatement.

v. During the year, the company has not declared any dividends. Hence, reporting of compliance under section 123 of the Companies Act, 2013 is not applicable.

i) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March 2026 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 accounting software. Further, during our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For MUKESH M. SHAH & CO.,
Chartered Accountants
Firm Registration No.: 106625W

Place: Ahmedabad
Date: May 14, 2026
UDIN: 26129675EDMGOX1494

sd/-
Karnik K. Shah
Partner
Membership No.: 129675

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the financial statements for the year ended March 31, 2026.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report 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 program of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work in progress and right of use assets at reasonable intervals having regard to the size of the company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) disclosed in the financial statements included in property, plant and equipment and capital work in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(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 and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories 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 procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the company and the nature of its business. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us and based on the records examined by us, the Company has not been sanctioned any working capital facility from banks or financial institutions in excess of five crore rupees, in aggregate, on the basis of security of current assets. Accordingly, reporting under this clause of the order is not applicable.

(iii) (a) According to the information and explanations given to us, the company has provided loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships and other parties details of which are as follows:

Particulars	Aggregate amount of loans given during the year (Amount in Million)	Balance Outstanding at March 31, 2026 (Amount in Million)
Loans to holding company	11,391	8,859

Loan to fellow subsidiary Company	5,993	4,000

The company has not provided any security or stood guarantee to companies, firms, Limited Liability Partnerships and other entities. Accordingly, the reporting requirements under clause (iii) relating to guarantee and security is not appliable.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions on which loans have been granted or the investments made by the company during the year are not prejudicial to interest of the company.

(c) According to the information and explanations given to us, 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 the information and explanations and based on our audit procedures, there is no overdue amount remaining outstanding as at year end.

(e) None of the loan or Advance in the nature of loan, granted and has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under this clause of the order is not applicable.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans, making investments. The company has not provided guarantees or securities, accordingly, reporting requirements thereof under this clause of the order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board of National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.

(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 cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The company has been generally regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. 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 any other material statutory dues in arears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, Statutory dues referred to in sub clause (a) above which have not been deposited as on 31st March, 2026 on account of dispute are given below: -

Name of the Statute	Nature of Dues	Amount Involved (INR Millions)	Unpaid Amount (INR Millions)	Period which the amount relates	Forum where dispute is pending
The Goods & Service Tax Act	Goods & Service Tax	9	8	2021-2022	Appellate Authority

(viii) According to the information and explanations given to us, 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) According to the information and explanations given to us and on the basis of our examination of the books of account, we report that:

(a) The company has not taken any loans or other borrowings from any lender during the year; hence, reporting under this clause of the order is not applicable.

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

(c) The company has not taken any term loans during the year. Hence, reporting under this clause of the order is not applicable.

(d) The company has not raised any funds during the year for short term basis. Hence, reporting under this clause of the order is not applicable.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint venture and associate companies.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and, hence, reporting under this clause of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to date of this report.

(c) As represented to us by the Management, there is no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi company. Accordingly, reporting under this clause of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) According to the information and explanations given to us and based on our examination of the records of the Company, we are of the opinion that 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.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and, hence, provisions of section 192 of the Act is not applicable to the company. Accordingly, reporting under this clause of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, we report that

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934;
(b) The Company has not conducted any non-banking or housing finance activities during the year;
(c) The Company is not a Core Investment Company, as defined in the regulations made by the Reserve Bank of India;
(d) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one Core Investment Company.

(xvii) The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In respect of the Company's Corporate Social Responsibility (CSR):

a According to the information and explanations given to us, there are no unspent amount towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects that are required to be transferred to a fund specified in Schedule VII to the Act.
b According to the information and explanations given to us and based on our examination of the records of the Company, the Company has transferred the amount remaining unspent in respect of ongoing projects, to a Special Account (as required) till the date of our report in compliance with provision of sub section (6) of section 135 of the Act. Relevant disclosures are made in Note 31 of the financial statement of the Company.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

sd/-
Karnik K. Shah
Partner
Membership No.: 129675

Place: Ahmedabad
Date: May 14, 2026
UDIN: 26129675EDMGOX1494

"ANNEXURE B" TO THE AUDITORS' REPORT

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Zydus Animal Health and Investments Limited ("the company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting 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 ["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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. 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 over financial reporting 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting 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.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

sd/-
Karnik K. Shah
Partner
Membership No.: 129675

Place: Ahmedabad
Date: May 14, 2026
UDIN: 26129675EDMGOX1494

Zydus Animal Health and Investments Limited [CIN : U24236GJ2018PLC102269]
Balance Sheet as at March 31, 2026

Particulars	Note No.	INR-Million	
		As at March 31	
		2026	2025
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3[A]	575	596
Capital work-in-progress	3[D]	297	184
Goodwill	3[B]	153	153
Other Intangible Assets	3[B]	1	2
Financial Assets:			
Investments	4	7,123	7,121
Loans	5	13,333	1,434
Other Financial Assets	6	5	3
Other Non-Current Assets	7	79	47
Assets for Current tax [Net]	8	5	5
Total Non-Current Assets		21,571	9,545
Current Assets:			
Inventories	9	554	694
Financial Assets:			
Investments	10	258	439
Trade Receivables	11	496	870
Cash and Cash Equivalents	12 [A]	119	139
Bank Balances other than Cash and Cash Equivalents	12 [B]	272	429
Loans	5	-	11,830
Other Current Financial Assets	13	258	418
Other Current Assets	14	31	28
Total Current Assets		1,988	14,847
Total Assets		23,559	24,392
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	15	12,644	14,144
Other Equity	16	10,498	9,911
Total equity		23,142	24,055
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities:			
Other Financial Liabilities	17	2	-
Provisions	18	12	8
Deferred Tax Liabilities[Net]	19	10	11
Total Non-Current Liabilities		24	19
Current Liabilities:			
Financial Liabilities:			
Trade Payables:			
Due to Micro and Small enterprises	20	5	3
Due to other than Micro and Small enterprises	20	342	285
Other Financial Liabilities	21	19	21
Other Current Liabilities	22	4	4
Provisions	23	6	2
Current Tax Liabilities [Net]	24	17	3
Total Current Liabilities		393	318
Total Liabilities		417	337
Total Equity and Liabilities		23,559	24,392
Material Accounting Policies	2		
Notes to the Financial Statements	3 to 43		

As per our report of even date
For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number : 106625W

For and on behalf of the Board

sd/-
Tushar Shroff
Chairman
DIN : 08234045

sd/-
Karnik K. Shah
Partner
Membership Number : 129675
Ahmedabad, Dated : May 14, 2026

sd/-
Hiren Mistry
Chief Financial Officer

sd/-
Mihir J Mehta
Company Secretary

sd/-
Kesava Achari Vadla
Whole Time Director
DIN : 10991843
Ahmedabad, Dated : May 14, 2026

Zydus Animal Health and Investments Limited [CIN : U24236GJ2018PLC102269]
Statement of Profit and Loss for the year ended March 31, 2026

Particulars	Note No.	INR-Million	
		Year ended March 31	
		2026	2025
INCOME:			
Revenue from Operations	26	1,087	2,008
Other Income	27	979	1,334
Total Income		2,066	3,342
EXPENSES:			
Cost of Materials Consumed	28	356	665
Changes in Inventories of Work-in-progress, Finished goods and Stock-in-Trade	29	7	13
Employee Benefits Expense	30	148	119
Depreciation and Amortisation Expense	3 [C]	51	48
Other Expenses	31	790	782
Net (Gain) on foreign currency transactions		(82)	(36)
Total Expenses		1,270	1,591
Profit before Exceptional Items and Tax		796	1,751
Less : Exceptional Items	40	2	-
Profit before Tax		794	1,751
Less: Tax Expense:			
Current Tax	32	210	448
Deferred Tax	32	(2)	-
		208	448
Profit for the year		586	1,303
OTHER COMPREHENSIVE INCOME [OCI]:			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/[losses] on post employment defined benefit plans		1	(2)
Income tax effect [INR 205,960]		-	1
Other Comprehensive Income/ [Loss] for the year [Net of Tax]		1	(1)
Total Comprehensive Income for the year [Net of Tax]		587	1,302
Basic Earning per Equity Share [EPS] [in Rupees]:	33	43.35	1,064.00
Diluted Earning per Equity Share [EPS] [in Rupees]:	33	0.42	0.85
Material Accounting Policies	2		
Notes to the Financial Statements	3 to 43		

As per our report of even date
For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number : 106625W

For and on behalf of the Board

sd/-
Tushar Shroff
Chairman
DIN : 08234045

sd/-
Karnik K. Shah
Partner
Membership Number : 129675
Ahmedabad, Dated : May 14, 2026

sd/-
Hiren Mistry
Chief Financial Officer

sd/-
Mihir J Mehta
Company Secretary

sd/-
Kesava Achari Vadla
Whole Time Director
DIN : 10991843
Ahmedabad, Dated : May 14, 2026

Zydus Animal Health and Investments Limited [CIN : U24236GJ2018PLC102269]
Statement of Change in Equity for the year ended March 31, 2026

a Equity Share Capital:

	No. of Shares	INR-Million
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2024	1,019,143	10
Add: Conversion of OCRPS into equity shares [Refer Note-39]	12,500,000	125
As at March 31, 2025	13,519,143	135
As at March 31, 2026	13,519,143	135
8% Optionally Convertible Non-Cumulative Redeemable Preference [OCRPS] Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2024	1,773,350,000	17,734
Less: Redeemed during the year [Refer Note-39]	(360,000,000)	(3,600)
Less: Conversion of OCRPS into equity shares [Refer Note-39]	(12,500,000)	(125)
As at March 31, 2025	1,400,850,000	14,009
Less: Redeemed during the year [Refer Note-39]	(150,000,000)	(1,500)
As at March 31, 2026	1,250,850,000	12,509

b Other Equity:

	INR-Million		
	Retained Earnings	Capital Redemption Reserve	Total
As at March 31, 2024	**3,609**	**5,000**	**8,609**
Add: Profit for the year	1,303	-	1,303
Less: Transferred to Capital Redemption Reserve [Refer Note-39]	(3,600)	3,600	-
Less: Other Comprehensive loss	(1)	-	(1)
As at March 31, 2025	**1,311**	**8,600**	**9,911**
Add: Profit for the year	586	-	586
Less: Transferred to Capital Redemption Reserve [Refer Note-39]	(1,500)	1,500	-
Add: Other Comprehensive income	1	-	1
As at March 31, 2026	**398**	**10,100**	**10,498**

As per our report of even date
For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number : 106625W

For and on behalf of the Board

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Ahmedabad, Dated : May 14, 2026

Zydus Animal Health and Investments Limited [CIN : U24236GJ2018PLC102269]

Cash Flow Statement for the year ended March 31, 2026

Particulars	**INR-Million**		
	Year ended March 31		
	2026		2025
A Cash flows from operating activities:			
Profit before tax		**794**	1,751
Adjustments for:			
Depreciation and amortisation expense	**51**		48
Exceptional Items	**2**		-
Loss on disposal of Property, Plant and Equipment [Net]	**3**		-
FVTPL gain/ profit on sale of investments [Net]	**(53)**		(66)
Interest income	**(926)**		(1,268)
Effect of foreign exchange movement	**(47)**		(10)
Provisions for employee benefits	**7**		3
Total		**(963)**	(1,293)
Operating profit before working capital changes		**(169)**	458
Adjustments for:			
Decrease/[Increase] in trade receivables	**374**		(376)
Decrease/[Increase] in inventories	**140**		(289)
[Increase]/Decrease in other assets	**(11)**		34
Increase in trade payables	**63**		61
[Decrease]/Increase in other liabilities	**(6)**		7
Total		**560**	(563)
Cash generated from operations		**391**	(105)
Income taxes paid [Net of refunds]		**(195)**	(487)
Net cash from/[used in] operating activities		**196**	(592)
B Cash flows from investing activities:			
Purchase of property, plant and equipment and intangible assets [including payment towards capital work-in-progress and capital advances]	**(171)**		(193)
Purchase of non current investments in subsidiaries	**-**		(378)
Purchase of non current investments in a joint venture	**-**		(6,708)
[Investment made in]/ proceeds from investments - Other than subsidiaries	**(2)**		1,060
Redemption of/ [Investments in] current investments [Net]	**234**		(167)
Loan given to related parties	**(17,384)**		(1,007)
Repayment of loan by related parties	**16,606**		10,646
Loan given to others	**-**		(756)
Repayment of loan by others	**756**		-
Changes in Bank balances [including fixed deposits] not considered as cash and cash equivalents [Net]	**157**		145
Interest received	**1,087**		1,634
Net cash from investing activities		**1,284**	4,276
C Cash flows from financing activities:			
Redemption of Optionally Convertible Non-Cumulative Redeemable Preference Shares	**(1,500)**		(3,600)
Net cash [used in] financing activities		**(1,500)**	(3,600)
Net [Decrease]/Increase in cash and cash equivalents		**(20)**	84
Cash and cash equivalents at the beginning of the year		**139**	55
Cash and cash equivalents at the end of the year		**119**	139

Zydus Animal Health and Investments Limited

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 and Current Investments:

	INR-Million		
	As at March 31		
	2026	2025	2024
a Cash and Cash Equivalents:	119	139	55
b Bank balance other than cash and cash equivalents:	272	429	574
c Current Investments	258	439	206
d Total	649	1,007	835

As per our report of even date
For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number : 106625W

For and on behalf of the Board

sd/-
Tushar Shroff
Chairman
DIN : 08234045

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Company Secretary

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Whole Time Director
DIN : 10991843

Ahmedabad, Dated : May 14, 2026

Zydus Animal Health and Investments Limited

Note: 1-Company overview:

Zydus Animal Health and Investments Limited [the Company] [CIN : U24236GJ2018PLC102269] is in the business of production, marketing and distribution of Animal Health and Veterinary products in the markets of United States of America and Europe [other than Belarus, Russia and Ukraine]. The Company is the holding company of Viona Pharmaceuticals INC., Violio Healthcare Limited and Biochem Pharmaceutical Private Limited. The registered office is situated at Zydus Corporate Park, Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj [Gandhinagar], S.G. 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 14, 2026.

Note: 2- Material Accounting Policies :

A The following note provides list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

1 Basis of preparation:

A The financial statements have been prepared in all material aspects in accordance with the Indian Accounting Standards [Ind AS] notified under section 133 of the Companies Act ,2013 read with [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

B The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair values at the end of the reporting periods:

i Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]

ii Defined benefit plans

2 Use of key Estimates and Judgements:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Critical accounting judgments and estimates:

A Property, Plant and Equipment:

Property, Plant and Equipment represent a large proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as changes in technology. Refer Note-3.

B Employee benefits:

Actuarial valuation involves key assumptions of life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans. Refer Note-18.

C 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-19 and 32.

D Contingent liabilities:

Significant judgments are involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources. Refer Note-25.

3 Foreign Currency Transactions:

The Company's financial statements are presented in Indian Rupees [INR], which is the functional and presentation currency.

A The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.

B Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.

C Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss within finance costs. All the 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 INR [functional currency] at the rates of exchange prevailing at the time when the investments were made.

Note: 2- Material Accounting Policies-Continued:

4 Revenue Recognition:

A The following are the material 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 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. When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price [excluding estimates of variable consideration] that is allocated to that performance obligation. Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

b Service Income:

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of indirect taxes, wherever applicable.

c Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

5 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 and 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, 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 or 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.

6 Property, Plant and Equipment:

A Freehold land is carried at historical cost, less impairment, if any. All other items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost [Net of Input tax credit received/ receivable] includes related expenditure and project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.

B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

C Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

Note: 2-Material Accounting Policies-Continued:

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 its reduced value, if any, on a systematic basis over its remaining useful life.

E Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are used.

F Where the actual cost of purchase of an asset is below INR 10,000/-, the depreciation is provided @ 100%.

G Capital work in progress is stated at cost less accumulated impairment loss, if any.

H An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

7 Intangible Assets:

A Intangible assets acquired separately are measured on initial recognition at cost. 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 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.

D 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 indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

E 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.

8 Research and Development Cost:

A Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.

B Capital expenditure on research and development equipment is given the same treatment as Property, Plant and Equipment.

9 Borrowing Costs:

A Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per Effective Interest Rate [EIR] method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

B Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

10 Impairment of 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.

11 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 Works-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 & Stock-in-Trade is is determined on Weighted Average Method.

C Costs of Finished Goods and Works-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.

Note: 2-Material Accounting Policies-Continued:

12 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.

13 Leases:

As a lessee:

For any new contracts entered into, the Company considers whether a contract is, or contains a lease.

A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset [the underlying asset] for a period of time in exchange for consideration’.

Measurement and recognition of leases as a lessee:

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date [net of any incentives received].

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments [including in substance fixed], variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in other financial liabilities.

14 Provisions, Contingent Liabilities and Contingent Assets:

A Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for 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.

15 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.

16 Employee Benefits:

A Short term obligations:

Liabilities for wages and salaries, including leave encashment 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 ay 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.

Note: 2-Material Accounting Policies-Continued:

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 INR is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the statement of Profit and Loss. Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the Statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements;

ii Net interest expense or income.

c Defined Contribution Plans - Provident Fund Contribution:

Eligible employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The company has no further obligation to the plan beyond its 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.

17 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 Company settles to purchase or sell the asset.

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 objective of both - for collecting contractual cash flows and selling the financial assets
- The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii Debt instruments and derivatives at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv Investments in subsidiaries and joint ventures:

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the differences between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Refer Note-4.

Note: 2-Material Accounting Policies-Continued:

v Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income . The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c Derecognition:

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risk and rewards of ownership of the financial asset, the same is derecognised.

d Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance , i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

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 or payables 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.

Note: 2-Material Accounting Policies-Continued:

d Embedded derivatives:

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

C Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

18 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, 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 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.

19 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. Acquisition-related costs are expensed as incurred.

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

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.

Zydus Animal Health and Investments Limited

Note: 2-Material Accounting Policies-Continued:

F After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value, less any accumulated impairment. For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

G A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of profit and loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.

H If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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, as approved by the Hon'ble High Court or NCLT.

20 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

B Recent Accounting Pronouncements:

The Ministry of Corporate Affairs [MCA] notifies new standards or amendments to existing standards under the Companies [Indian Accounting Standards] Rules from time to time. MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements [classification of liabilities as Current or Non-current, including liabilities with covenants], Ind AS 12 – Income Taxes [International Tax Reform – Pillar Two Model Rules], Ind AS 21 – The Effects of Changes in Foreign Exchange Rates [Lack of Exchangeability] and Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures [Supplier Finance Arrangements], effective from April 1, 2025. The Company has reviewed these amendments and based on its evaluation, has determined that they do not have any material impact on the Company's financial statements.

New standards or amendments not yet adopted:

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1. The amendments clarify that lender waivers obtained after the reporting date cannot be considered for the purpose of classifying liabilities as current or non current and require retrospective application in accordance with Ind AS 8. These amendments are effective for reporting periods beginning on or after April 1, 2026.The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

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

[A] Property, Plant and Equipment:

INR-Million

	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicle	Total
Gross Block:							
As at March 31, 2024	255	125	357	4	4	-	745
Additions	-	-	43	-	-	-	43
As at March 31, 2025	255	125	400	4	4	-	788
Additions	-	-	29	-	-	4	33
Disposals	-	-	(7)	-	-	-	(7)
As at March 31, 2026	255	125	422	4	4	4	814
Depreciation and Impairment:							
As at March 31, 2024	10	18	112	1	3	-	144
Depreciation for the year	3	7	37	-	1	-	48
As at March 31, 2025	13	25	149	1	4	-	192
Depreciation for the year	3	7	40	-	-	-	50
Disposals	-	-	(3)	-	-	-	(3)
As at March 31, 2026	16	32	186	1	4	-	239
Net Block:							
As at March 31, 2025	242	100	251	3	-	-	596
As at March 31, 2026	239	93	236	3	-	4	575

[B] Intangible Assets:

	Goodwill	Other Intangible Assets: Computer Software	Total
Gross Block:			
As at March 31, 2024	153	2	2
Additions	-	2	2
As at March 31, 2025	153	4	4
Additions	-	-	-
As at March 31, 2026	153	4	4
Amortisation and Impairment:			
As at March 31, 2024	-	2	2
Amortisation for the year	-	-	-
As at March 31, 2025	-	2	2
Amortisation for the year	-	1	1
As at March 31, 2026	-	3	3
Net Block:			
As at March 31, 2025	153	2	2
As at March 31, 2026	153	1	1

[C] Depreciation and Amortisation Expenses:

INR-Million	Year ended March 31 2026	Year ended March 31 2025
Depreciation	50	48
Amortisation	1	-
Total	51	48

[D] Capital-work-in progress:

	2026	2025
(a) Summarised Statement for movement in Capital-work-in-progress:		
Balance as at the beginning of the year	184	34
Add: Expenditure incurred during the year	146	195
Less: Capitalized during the year	(33)	(45)
Balance as at the end of the year	297	184
(b) Ageing of Capital-work-in-progress:		
i Less than 1 year	122	166
ii 1 - 2 years	157	18
iii 2 - 3 years	18	-
iv More than 3 years	-	-
Total Capital Work-in-Progress	297	184

There are no overdue or temporary suspended projects.

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

	Face Value [*]	Nos. [**]	INR-Million As at March 31 2026	2025
Note: 4-Investments [Non-Current]:				
Investments in Subsidiaries and Joint Ventures:				
Investments in Equity Instruments			7,121	7,121
			7,121	7,121
Investments - Others:				
Investments in Equity Instruments			2	-
			2	-
Total			7,123	7,121
A Details of Investments in Subsidiaries and Joint Ventures [Unquoted]				
[Valued at cost]:				
Subsidiary Companies [Unquoted]:				
In fully paid-up equity shares of:				
Viona Pharmaceuticals INC [USA]	USD 1	810,774	412	412
Violio Healthcare Limited	10	50,000	1	1
Biochem Pharmaceutical Private Limited [As at March 31, 2026 INR 600,000/- {as at March 31, 2025 INR 100,000/-}] [50,000 shares subscribed during the year]	10	60,000[10,000]	-	-
			413	413
Joint Venture Company [Unquoted]:				
Sterling Biotech Limited [^]	1	3,216,730,980	6,708	6,708
			6,708	6,708
			7,121	7,121
B Details of Investments in Others [Unquoted] [Valued at fair value through OCI]:				
In fully paid-up equity shares of:				
Torrent Urja 25 Private Limited	10	195,081[0]	2	-
			2	-
Total			7,123	7,121
C Aggregate book value of unquoted investments			7,123	7,121

D Explanations:

a In "Face Value [*]" figures in Indian Rupees unless stated otherwise.

b In "Nos. [**]" figures of previous year are same unless stated in [ ].

[^] Pursuant to the Share Purchase and Share Subscription Agreement [SPSSA] entered on August 23, 2024, the Company has completed the acquisition of 50% stake of Sterling Biotech Limited [SBL] on August 29, 2024. Consequently, SBL has become a Joint Venture of the Company w.e.f. August 29, 2024. The cost of acquisition was INR 5,500 Million subject to certain adjustments with respect to cash and debt [including debt like items] as mentioned in the SPSSA.

	INR-Million As at March 31 2026	2025
Note: 5-Loans [Non-Current]:		
[Unsecured, Considered Good unless otherwise stated]		
Loans [#]	13,333	1,434
Total	13,333	1,434

[#] 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:

	INR-Million As at March 31, 2026 Non-Current	Current	Maximum outstanding balance	As at March 31, 2025 Non-Current	Current	Maximum outstanding balance
A Holding Company:						
Zydus Lifesciences Limited	8,859	-	11,778	-	11,074	21,720
B Subsidiary Company:						
Viona Pharmaceuticals INC [USA]	474	-	474	427	-	437
C Fellow subsidiary Company:						
Zydus Medtech Private Limited	4,000	-	4,000	1,007	-	1,007
Dialforhealth Unity Limited [As at March 31, 2026 INR 207,096/- {as at March 31, 2025 INR 100,000/-}]	-	-	-	-	-	-
D Others						
Rimi Distributors	-	-	756	-	756	1,050
Total	13,333	-		1,434	11,830	

(##) Loans which are outstanding at the end of the respective financial year.

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

b All the above loans are repayable within a period of 5 years.

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

		INR-Million	
		As at March 31	
		2026	2025
Note: 6-Other Financial Assets:			
[Unsecured, Considered Good]			
Security Deposits		5	3
Total		5	3
Note: 7-Other Non-Current Assets:			
[Unsecured, Considered Good unless otherwise stated]			
Capital Advances - Considered Good		76	45
Capital Advances - Credit impaired		1	1
		77	46
Less: Allowances for credit impaired		(1)	(1)
		76	45
Balances with Statutory Authorities		1	-
Others		2	2
Total		79	47
Note: 8-Assets for Current tax [Net]:			
Advance payment of Tax [Net of provision for taxation of INR 922 {as at March 31, 2025: INR 474} Million]		5	5
Total		5	5
Note: 9-Inventories:			
[The Inventory is valued at lower of cost and net realisable value]			
Classification of Inventories:			
Raw Materials		380	530
Work-in-progress		40	41
Finished Goods		106	112
Packing Materials		28	11
Total		554	694
Note: 10-Investments			
	Nos. [*]		
Investment in Mutual Funds [Unquoted] [Valued at fair value through profit or loss]:			
ICICI Prudential Overnight Fund - Direct Plan - Growth	66,989 [9,584]	97	13
ICICI Prudential Liquid Fund - Direct Plan - Growth	0 [459,810]	-	177
HDFC Overnight Fund - Direct Plan - Growth	40,328 [0]	161	-
Investment in others [Quoted] [Valued at amortised cost]:			
Commercial Papers		-	249
Total		258	439
[*] In "Nos." figures of previous year are stated in [ ].			

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

	INR-Million	
	As at March 31	
	2026	2025
Note: 11-Trade Receivables:		
Unsecured - Considered good	496	870
Less: Allowances for credit losses	-	-
Total	496	870

Ageing of Trade Receivables : INR-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, 2026						
Undisputed – considered good	487	7	2	-	-	-	496
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	**487**	**7**	**2**	**-**	**-**	**-**	**496**
	As at March 31, 2025						
Undisputed – considered good	867	1	2	-	-	-	870
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	**867**	**1**	**2**	**-**	**-**	**-**	**870**

	INR-Million	
	As at March 31	
	2026	2025
Note: 12-Cash and Cash Equivalents:		
A Cash and Cash Equivalents:		
Balances with Banks	119	139
Total	119	139
There are no amounts of cash and cash equivalent balances held by the entity that are not available for use.		
B Bank balance other than cash and cash equivalents:		
Fixed deposits [*]	272	429
Total	272	429
Company keeps fixed deposits with the Nationalised/ Scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds.		
[*] Earmarked balances with banks:		
Balances to the extent held as margin money deposits against guarantee	3	3
Note: 13-Other Current Financial Assets:		
[Unsecured, Considered Good]		
Interest Receivable [Refer Note-5]	257	418
Other Receivables	1	-
Total	258	418
Note: 14-Other Current Assets:		
[Unsecured, Considered Good]		
Balances with Statutory Authorities	14	14
Advances to Suppliers	13	9
Prepaid Expenses	1	1
Export Incentive Receivables	2	4
Others	1	-
Total	31	28

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Notes to the Financial Statements

	INR-Million	
	As at March 31	
	2026	2025
Note: 15-Equity Share Capital:		
Authorised:		
150,00,000 [As at March 31, 2025 : 150,00,000] Equity Shares of INR 10 /- each	150	150
229,50,00,000 [As at March 31, 2025: 229,50,00,000] 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares [OCRPS] of INR 10 /- each	22,950	22,950
	23,100	23,100
Issued, Subscribed and Paid-up:		
13,519,143 [As at March 31, 2025: 13,519,143] Equity Shares of INR 10/- each, fully paid up	135	135
125,08,50,000 [As at March 31, 2025: 140,08,50,000] 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares [OCRPS] ["Preference Shares"] of INR 10/- each	12,509	14,009
Total	12,644	14,144
A The reconciliation in number of Equity shares is as under:		
Number of shares at the beginning of the year	13,519,143	1,019,143
Add: Conversion of OCRPS in to Equity Shares [Refer Note-39]	-	12,500,000
Number of shares at the end of the year	13,519,143	13,519,143
The reconciliation in number of Preference Shares is as under:		
Number of shares at the beginning of the year	1,400,850,000	1,773,350,000
Less: Shares redeemed during the year [Refer Note-39]	(150,000,000)	(360,000,000)
Less: Conversion of OCRPS in to Equity Shares [Refer Note-39]	-	(12,500,000)
Number of shares at the end of the year	1,250,850,000	1,400,850,000

B The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

C Optionally Convertible Non-Cumulative Redeemable Preference Shares [OCRPS] are redeemable at par. At anytime during tenure of OCRPS, the Issuer and the holder of the OCRPS shall have right to have all, or any part, of the OCRPS to be converted as Equity Shares. Such conversion shall happen at a pre-determined agreed rate between the parties.The tenure of the OCRPS shall be 20 years from date of allotment. At any time during the tenure of the OCRPS, the company shall have right to redeem, all or any part of outstanding OCRPS. The OCRPS shall carry a preferential rights with respect to dividend on the paid up capital in the event of distribution of profits by the Company.

	2026	2025
D Shares in the company held by each shareholder holding more than 5% shares		
a. Equity shares		
i) Zydus Lifesciences Limited and its Nominees		
Number of Shares	13,400,000	13,400,000
% to total share holding	99.12%	99.12%
ii) Zydus Healthcare Limited		
Number of Shares	119,143	119,143
% to total share holding	0.88%	0.88%
b. Preference shares		
Zydus Lifesciences Limited		
Number of Shares	1,250,850,000	1,400,850,000
% to total share holding	100.00%	100.00%
E Equity Shares allotted as fully paid up without consideration received in cash during the last five years	-	12,500,000

F Equity Shares held by the promoters of the Company as at the end of the year March 31, 2026 and March 31, 2025 [Refer Note-39]:

#	Promoter's Name	As at March 31, 2026		As at March 31, 2025		% change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Zydus Lifesciences Limited	13,400,000	99.12%	13,400,000	99.12%	0.00%
2	Zydus Healthcare Limited	119,143	0.88%	119,143	0.88%	0.00%

	INR-Million	
	As at March 31	
	2026	2025
Note: 16-Other Equity:		
Capital Redemption Reserve: [*]		
Balance as per last Balance Sheet	8,600	5,000
Add: Transfer from Retained Earnings [Refer Note-39]	1,500	3,600
Balance as at the end of the year	10,100	8,600
Retained Earnings:		
Balance as per last Balance Sheet	1,311	3,609
Add: Profit for the year	586	1,303
Add/[Less]: Items of other Comprehensive income recognised directly in Retained Earnings:		
Re-measurement gains/[losses] on defined benefit plans	1	(1)
Less : Transferred to Capital Redemption Reserve [Refer Note-39]	(1,500)	(3,600)
Balance as at the end of the year	398	1,311
Total	10,498	9,911

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

	2026	2025
Note: 17-Other Financial Liabilities:		
Security Deposits	2	-
Total	2	-

	2026	2025
Note: 18-Provisions:		
Provision for Employee Benefits	12	8
Total	12	8

Defined benefit plan and long term employment benefit

A General description:

Leave wages [Long term employment benefit]:

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. The employees who are eligible for gratuity as per the laws/ rules prescribed by the Governement 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 determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

	INR-Million					
	As at March 31					
	2026			2025		
	Medical Leave[*]	Leave Wages[*]	Gratuity	Medical Leave[*]	Leave Wages[*]	Gratuity
B Change in the present value of the defined benefit obligation:						
Opening obligation	-	10	8	-	5	5
Transfer in/ (out)	-	3	3	-	1	1
Interest cost	-	-	1	-	-	-
Current service cost	-	4	2	-	3	2
Past service cost	-	1	1	-	-	-
Benefits paid	-	(2)	(1)	-	(1)	(1)
Actuarial losses/(gains) on obligation	-	(1)	(1)	-	2	1
Closing obligation	-	15	13	-	10	8

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

Note: 18-Provisions-Continued:

	INR-Million As at March 31					
	2026			2025		
	Medical Leave[*]	Leave Wages[*]	Gratuity	Medical Leave[*]	Leave Wages[*]	Gratuity
C Change in the fair value of plan assets:						
Opening fair value of plan assets	-	-	9	-	-	10
Transfer in/ (out)	-	-	-	-	-	1
Interest Income	-	-	1	-	-	1
Return on plan assets excluding amounts included in interest income	-	-	-	-	-	(2)
Contributions by employer	-	-	1	-	-	-
Benefits paid	-	-	(1)	-	-	(1)
Actuarial [losses]/ gains	-	-	-	-	-	-
Closing fair value of plan assets	-	-	10	-	-	9
Total actuarial (losses)/gains to be recognised	-	-	(1)	-	(2)	(1)
D Amount recognised in the balance sheet:						
Liabilities at the end of the year	-	15	13	-	10	8
Fair value of plan assets at the end of the year	-	-	(10)	-	-	(9)
Difference	-	15	3	-	10	(1)
Unrecognised past service cost	-	-	-	-	-	-
Liabilities/ [Assets] recognised in the Balance Sheet	-	15	3	-	10	(1)
E Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	-	4	2	-	3	2
Interest cost on benefit obligation	-	1	-	-	-	-
Past service cost	-	1	1	-	-	-
Interest income on plan assets	-	-	-	-	-	(1)
Net actuarial [gains]/ losses in the year	-	(1)	-	-	-	-
Amount included in "Employee Benefit Expense"	-	4	2	-	3	1
Amount included in "Exceptional items" [Refer Note-40]	-	1	1	-	-	-
Return on plan assets excluding amounts included in interest income	-	-	-	-	-	1
Net actuarial [gains]/ losses in the year	-	-	(1)	-	-	1
Amounts recognized in OCI	-	-	(1)	-	-	2
F Movement in net liabilities recognised in Balance Sheet:						
Opening net liabilities	-	10	(1)	-	5	(4)
Expenses as above [P & L Charge]	-	5	3	-	2	1
Transfer in/ [out]	-	3	3	-	1	-
Current Service Cost	-	-	-	-	3	-
Amount recognised in OCI	-	-	(1)	-	-	2
Benefits Paid	-	(2)	-	-	(1)	-
Contributions to plan assets	-	-	(1)	-	-	-
Liabilities/ [Assets] recognised in the Balance Sheet	-	-	-	-	-	-
	-	15	3	-	10	(1)

[*] Amounts shown in the above table doesn't exceed one million.

G Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:

	2026			2025		
Discount rate	7.25%	7.25%	7.25%	6.65%	6.65%	6.65%

[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: 2026 — **12% for next 2 year, 9% thereafter**; 2025 — 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.]: 2026 — **40% at younger ages reducing to 1% at older ages**; 2025 — 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]

H The categories of plan assets as a % of total plan assets are:

	2026			2025		
Insurance plan	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%

The expected contributions for Defined Benefit Plan for the next financial year will be INR 2.78 Millions [Previous year: INR 2.03 Millions].
The average duration of the defined benefit plan obligation at the end of the reporting period is 7.59 years [as at March 31, 2025: 8.03 years]

Sensitivity analysis [*]:

A quantitative sensitivity analysis for significant assumption is shown below:

Assumptions	INR-Million					
	Medical Leave		Leave Wages		Gratuity	
	As at March 31					
	2026	2025	**2026**	2025	**2026**	2025
Impact on obligation:						
Discount rate increase by 0.5%	-	-	-	-	-	-
Discount rate decrease by 0.5%	-	-	-	-	-	-
Annual salary cost increase by 0.5%	-	-	-	-	-	-
Annual salary cost decrease by 0.5%	-	-	-	-	-	-
Withdrawal rate increase by 10%	-	-	-	-	-	-
Withdrawal rate decrease by 10%	-	-	-	-	-	-

[*] Amounts shown in the above table doesn't exceed one million.

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

	INR-Million	
	As at March 31	
	2026	2025
Within the next 12 months [next annual reporting period]	**5**	3
Between 2 and 5 years	**12**	6
Between 6 and 10 years	**7**	4
Total expected payments	**24**	13

Note: 19-Deferred Tax:

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

INR-Million

	As at March 31 2024	Charge for the previous year	As at March 31 2025	Charge for the current year	**As at March 31 2026**
Deferred Tax Liabilities:					
Property, Plant & Equipment and Intangible Assets	13	1	14	(1)	**13**
	13	1	14	(1)	**13**
Deferred Tax Assets:					
Employee benefits/ Payable to statutory authorities	2	1	3	-	**3**
	2	1	3	-	**3**
Net Deferred Tax Liability/(Asset)	11	0	11	(1)	**10**

B The Net Deferred Tax Income of INR 1 Million for the year has been credited {Previous Year Expense of INR 0.3 Million (INR 326,142/-)} in the Statement of Profit and Loss.

C The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

	INR-Million	
	As at March 31	
	2026	2025
Note: 20-Trade Payables:		
Due to Micro and Small Enterprises [*]	5	3
Due to other than Micro and Small Enterprises	342	285
Total	347	288
[*] Disclosure in respect of Micro and Small Enterprises:		
A Principal amount remaining unpaid to any supplier as at year end	5	3
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 [INR 315,658/- as at March 31, 2026] {INR 207,582/- as at March 31, 2025}	-	-
D Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-
E Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F Amount of further interest remaining due and payable in succeeding years	-	-
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises on the basis of information available with the Company.		

Ageing of Trade Payables :

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
	As at March 31, 2026					
Undisputed Micro and Small Enterprises [MSME]	4	1	-	-	-	5
Undisputed Others	45	292	4	-	1	342
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	49	293	4	-	1	347
	As at March 31, 2025					
Undisputed Micro and Small Enterprises [MSME]	1	2	-	-	-	3
Undisputed Others	119	165	-	-	1	285
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	120	167	-	-	1	288

	INR-Million	
	As at March 31	
	2026	2025
Note: 21-Other Financial Liabilities:		
Accrued Expenses	4	10
Payable for capital goods	14	8
Others	1	3
Total	19	21
Note: 22-Other Current Liabilities:		
Payable to Statutory Authorities	3	3
Others	1	1
Total	4	4
Note: 23-Provisions:		
Provision for Employee Benefits	6	2
Total	6	2
Note: 24-Current Tax Liabilities [Net]:		
Provision for Taxation [Net of advance payment of tax of INR 193 {as at March 31, 2025: INR 444} Million]	17	3
Total	17	3
Note: 25-Contingent Liabilities and Commitments [to the extent not provided for]:		
A Contingent Liabilities:		
a Claims against the Company not acknowledged as debts	-	-
b Other money for which the company is contingently liable:		
i In respect of the demands raised by the Goods and Service Tax Authority	8	-
- Net of advance of	1	-
B Commitments:		
a Estimated amount of contracts remaining to be executed on capital account and not provided for	467	139
- Net of advance of	75	45

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

	INR-Million	
	Year ended March 31	
	2026	2025
Note: 26-Revenue from Operations:		
Sale of Products	1,080	2,001
Other Operating Revenues:		
Export Incentives	4	4
Miscellaneous Income	3	3
	7	7
Total	1,087	2,008
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	1,080	2,001
Less:		
Provision for Expiry and Sales Return	-	-
Discounts/ Price Reduction/ Rebates	-	-
Revenue from contract with customers	1,080	2,001
The Company has recognised revenue of INR Nil [March 31, 2025 INR 1 Million] from the amounts included under advance received from customers at the beginning of the year.		
Note: 27-Other Income:		
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	926	1,268
Net Gain on Financial Assets mandatorily measured at FVTPL	53	66
Total	979	1,334
Note: 28-Cost of Materials Consumed:		
Raw Materials:		
Stock at commencement	530	197
Add: Purchases	185	913
	715	1,110
Less: Stock at close	380	530
	335	580
Packing Materials consumed	21	85
Total	356	665
Note: 29-Changes in Inventories of Work-in-progress, Finished goods and Stock-in-Trade:		
Stock at commencement:		
Work-in-progress	41	33
Finished Goods	112	133
	153	166
Less: Stock at close:		
Work-in-progress	40	41
Finished Goods	106	112
	146	153
Total	7	13
Note: 30-Employee Benefits Expense:		
Salaries and wages	132	107
Contribution to provident and other funds [*]	10	7
Staff welfare expenses	6	5
Total	148	119
[*] The Company's contribution towards defined contribution plan	7	6
The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees, as specified under the law. The contributions are paid to the respective Regional Provident Fund Commissioner under the Pension Scheme.		

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

	INR-Million	
	Year ended March 31	
	2026	2025
Note: 31-Other Expenses:		
Research Materials	43	58
Analytical Expenses	112	115
Product Development Expense	292	258
Consumption of Stores and spare parts	62	65
Power & fuel	35	37
Repairs to Building	7	1
Repairs to Plant and Machinery	11	7
Repairs to Others	1	1
Commission to Directors [for the year ended March 31, 2026 INR 100,000 {Previous Year: INR 100,000}]	-	-
Insurance	7	3
Processing Charges	-	6
Traveling Expenses	1	1
Legal and Professional Fees [*]	2	2
Freight and forwarding on sales	66	53
Corporate Social Responsibility [CSR] expenses [#]	26	18
Loss on sale of asset	3	-
Miscellaneous Expenses	122	157
Total	790	782
[*] Legal and Professional Fees include:		
Payment to the Statutory Auditors [excluding GST]:		
- As Auditor [INR 440,000 {Previous Year: INR 400,000}]	-	-
- For Other Services [INR 129,000 {Previous Year: INR 117,500}]	-	-
- Total	-	-
[#] Expenditure on Corporate Social Responsibility [CSR] Activities as required u/s 135 of the Companies Act, 2013.	26	18
Particulars with regard to CSR activities :		
1 Amount required to be spent during the year as per section 135(5)	26	18
2 Amount spent on:		
i Construction/ acquisition of asset	-	-
ii On purposes other than (i) above	-	18
3 Amount of excess CSR spent of earlier years utilized for the financial year	-	-
4 [Shortfall] / [Unspent] at the end of the financial year	(26)	-
5 Amount available for set off in succeeding financial year	-	-
6 Total of previous years shortfall	-	-
7 Reasons for shortfall/unspent	Pertains to ongoing projects	N.A
8 Nature of CSR Activities:		
A Healthcare and Education	-	18
9 Details of Related Parties:		
Contribution to Zydus Foundation	26	18

The unspent amount has been transferred to special bank account u/s 135 (6) of the Companies Act, 2013 within stipulated timeline.

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

		INR-Million	
		Year ended March 31	
		2026	2025
Note: 32-Tax Expenses:			
The major components of income tax expense are:			
A Statement of profit and loss:			
Profit or loss section:			
Tax expense on Continuing Operations			
Current Tax		210	448
Deferred Tax - Relating to origination and reversal of temporary differences [Refer Note-19]		(2)	-
Total Tax reported in the statement of Profit and Loss		208	448
OCI Section:			
Tax related to items recognised in OCI during in the year:			
Net (gain) on remeasurements of defined benefit plans [INR 205,960]		-	(1)
Total Tax [charged] to OCI		-	(1)
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:			
Profit before tax		794	1,751
Enacted Tax Rate in India (%)		25.17%	25.17%
Expected Tax Expenses		200	441
Adjustments for:			
Effect of unrecognized deferred tax assets/ liabilities		1	1
Effect of non-deductible expenses		7	6
Effect of additional deductions in taxable income		(1)	-
Others		1	-
Total		8	7
Tax Expenses as per Statement of Profit and Loss		208	448
Note: 33-Calculation of Earnings per Equity Share [EPS]:			
The numerators and denominators used to calculate the basic and diluted EPS are as follows [Refer Note-39]:			
A Profit attributable to Equity Share Holders	INR-Million	586	1,303
B Basic and weighted average number of Equity shares outstanding during the year	Numbers	13,519,143	1,224,622
C Effect of dilution - Optionally Convertible Non-Cumulative Redeemable Preference Shares	Numbers	1,370,028,082	1,532,486,986
D Weighted average number of Equity Shares outstanding during the year	Numbers	1,383,547,225	1,533,711,609
E Nominal value of equity share	INR	10	10
F Basic EPS	INR	43.35	1,064.00
G Diluted EPS	INR	0.42	0.85
Note: 34-Segment Information:			
The Chief Operating Decision Maker [CODM] reviews the Company as a single segment, namely "Animal Health and Veterinary products".			
Revenue derived from single customer which amount to 10% or more of total sales		1,080	2,001
Total		1,080	2,001

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

Note: 35-Related Party Transactions:

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

a Holding Company: Zydus Lifesciences Limited [ZLL]

b Subsidiary Companies:

Violio Healthcare Limited
Biochem Pharmaceutical Private Limited
Viona Pharmaceuticals Inc. [USA]

c Fellow subsidiary Companies/concerns:

Zydus Healthcare Limited
German Remedies Pharmaceuticals Private Limited
Zydus Wellness Limited
Zydus Wellness Products Limited
Liva Nutritions Limited
Liva Investment Limited [upto August 20, 2025]
Dialforhealth Unity Limited
Dialforhealth Greencross Limited
Zydus Pharmaceuticals Limited
Zydus Strategic Investments Limited
Zydus VTEC Limited
LM Manufacturing India Private Limited
M/s. Recon Pharmaceuticals and Investments, a Partnership Firm
Zydus Medtech Private Limited [w.e.f. May 31, 2024]
Naturell (India) Private Limited [w.e.f. December 2, 2024, under liquidation]
Zydus International Private Limited [Ireland]
Zydus Netherlands B.V. [the Netherlands]
Zydus Lanka (Private) Limited [Sri Lanka]
Zydus Nikkho Farmaceutica Ltda. [Brazil]
Alidac Healthcare (Myanmar) Limited [Myanmar]
Zydus Healthcare Philippines Inc. [Philippines]
Zynext Ventures PTE. LTD. [Singapore]
Zydus France, SAS [France]
Laboratorios Combix S.L. [Spain]
Etna Biotech S.R.L. [Italy] [Under Liquidation]
Zydus Pharmaceuticals (USA) Inc. [ZPUI] [USA]
Zylidac Bio LLC [USA] [w.e.f. July 11, 2025]
Zydus MedTech (France) SAS [France] [w.e.f. April 10, 2025]
Amplitude Surgical SAS [France] [w.e.f. July 29, 2025]
Amplitude Orthopedics Corporation [USA] [w.e.f. July 29, 2025]
Amplitude Australia Pty Ltd [Australia] [w.e.f. July 29, 2025]
Amplitude South Africa Pty Ltd [South Africa] [w.e.f. July 29, 2025]
Amplitude Latin America SA [Brazil] [w.e.f. July 29, 2025]
Amplitude SAS [France] [w.e.f. July 29, 2025]
SCI Les Tilleuls [France] [w.e.f. July 29, 2025]
SCI SOFAB FALLA [France] [w.e.f. July 29, 2025]
Amplitude Ile de France [France] [w.e.f. July 29, 2025]
Duotech Amplitude SAS [France] [w.e.f. July 29, 2025]
Amplitude Sud SAS [France] [w.e.f. July 29, 2025]
Nesher Pharmaceuticals (USA) LLC [USA] [Merged with ZPUI w.e.f. October 25, 2024]
ZyVet Animal Health Inc. [USA]
Zydus Healthcare (USA) LLC [USA]
Sentynl Therapeutics Inc. [USA]
Zydus Therapeutics Inc. [USA]
Zynext Ventures USA LLC [USA]
Zydus Healthcare S.A. (Pty) Ltd [South Africa]
Alidac Pharmaceuticals SA Pty. Ltd. [South Africa]
Script Management Services (Pty) Ltd [South Africa]
Zydus Wellness [BD] Pvt Ltd [Bangladesh]
Zydus Pharmaceuticals Mexico SA De C.V. [Mexico]
Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
Zydus Worldwide DMCC [UAE]
Zydus Wellness International DMCC [UAE]
Zydus Lifesciences Global FZE [UAE]
Zydus Pharmaceuticals (Canada) Inc. [Canada]
Zydus Pharmaceuticals UK Limited [UK]
LM Manufacturing Limited [UK]
Medsolutions (Europe) Limited [UK]
LiqMeds Worldwide Limited [UK]
LiqMeds Limited [UK]
LiqMeds Lifecare Limited [UK] [LiqMed]
Naturell Inc. [USA] [w.e.f. December 2, 2024]
Amplitude Nord SAS [France] [w.e.f. July 29, 2025]
Ortho Santé (Amplitude Ouest) [France] [w.e.f. July 29, 2025]
Amplitude Benelux [Belgium] [w.e.f. July 29, 2025]
Amplitude Suisse SA [Switzerland] [w.e.f. July 29, 2025]
Amplitude GmbH [Germany] [w.e.f. July 29, 2025]
Amplitude New Zealand Limited [New Zealand] [w.e.f. July 29, 2025]
Auroralux [Luxemburg] [w.e.f. July 29, 2025 till December 31,2025]
Ampliman 1 [France] [w.e.f. July 29, 2025 till January 16,2026]
Ampliman 2 [France] [w.e.f. July 29, 2025 till January 9,2026]
Alidac UK Limited [w.e.f. August 5, 2025]
Comfort Click Limited [UK] [w.e.f August 29,2025]
Comfort Click Limited [Ireland] [w.e.f August 29,2025]
Comfort Click LLC [USA] [w.e.f August 29,2025]
Comfort Click Softech Pvt. Ltd. [w.e.f August 29,2025]
Mediconseil [w.e.f. December 19, 2025]

d Joint Venture [JV] Companies:

Sterling Biotech Limited [JV of the Company] [Refer Note-4]
Zydus Hospira Oncology Private Limited [JV of ZLL]
Zydus Takeda Healthcare Private Limited [JV of ZLL]
Bayer Zydus Pharma Private Limited [JV of ZLL up to May 02, 2024]
Oncosol Limited [JV of LiqMed]

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

Cadmach Machinery Company Private Limited
Mukesh M. Patel & Co.
Zydus Infrastructure Private Limited
Zydus Foundation

f Key Managerial Personnel:

Mr. Nitin D. Parekh	Chairman [up to August 31, 2025]
Mr. Tushar Shroff	Chairman [w.e.f. September 01, 2025]
Mr. Pramod Lokhande	Whole Time Director [up to February 12, 2025]
Mr. Kesava Achari Vadla	Whole Time Director [w.e.f. March 24, 2025]
Mr. Chimanlal P. Patel	Director
Ms. Bhavana Doshi	Director [up to March 06, 2025]
Mr. Upen H. Shah	Nominee Director [up to March 31, 2025]
Ms. Dharmishta N. Raval	Woman Director [w.e.f. March 24, 2025]
Mr. Hiren Mistry	Executive Officer [Chief Financial Officer]
Mr. Mihir J. Mehta	Executive Officer [Company Secretary]

g Post Employment Benefits Plans whom transactions have taken place:

Zydus Animal Health And Investment Ltd. Employees Group Gratuity Scheme

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

Note: 35-Related Party Transactions - Continued:

B Transactions with Related Parties:

a Details relating to parties referred to in Note 35-A [a, b, c, d & e]

Value of the Transactions [INR-Million]

Nature of Transactions	Holding Company		Subsidiary/ Fellow subsidiary / Joint Venture Companies		Enterprises significantly influenced by the Holding Company	
	Year ended March 31					
	2026	2025	2026	2025	2026	2025
Purchases:						
Goods:						
Zydus Lifesciences Limited	1	45	-	-	-	-
Cadmach Machinery Company Private Limited	-	-	-	-	1	-
Property, Plant and Equipment:						
Zydus Lifesciences Limited	-	15	-	-	-	-
Reimbursement of Expenses paid:						
Zydus Lifesciences Limited	112	129	-	-	-	-
ZyVet Animal Health Inc.	-	-	282	232	-	-
Services:						
Zydus Lifesciences Limited	11	10	-	-	-	-
Zydus Infrastructure Private Limited	-	-	-	-	7	5
Cadmach Machinery Company Private Limited	-	-	-	-	1	-
Total	11	10	-	-	8	5
Sales:						
Goods:						
Zydus Lifesciences Limited	12	-	-	-	-	-
ZyVet Animal Health Inc.	-	-	1,080	2,001	-	-
Property, Plant and Equipment:						
Zydus Lifesciences Limited	1	-	-	-	-	-
Services:						
Zydus Helathcare Limited	-	-	7	-	-	-
CSR Expenses:						
Zydus Foundation	-	-	-	-	26	18
Investments:						
Investments made:						
Viona Pharmaceuticals INC	-	-	-	378	-	-
Biochem Pharmaceutical Private Limited	-	-	1	-	-	-
Zydus Medtech Private Limited	-	-	-	395	-	-
Sterling Biotech Limited	-	-	-	6,708	-	-
Total	-	-	1	7,481	-	-
Investments redemption:						
Zydus Medtech Private Limited	-	-	-	395	-	-
Capital redemption:						
Zydus Lifesciences Limited	1,500	3,600	-	-	-	-
Finance:						
Inter Corporate Loans Given:						
Zydus Lifesciences Limited	11,391	-	-	-	-	-
Zydus Medtech Private Limited	-	-	5,993	1,007	-	-
Inter Corporate Loans repaid by:						
Zydus Lifesciences Limited	13,606	10,646	-	-	-	-
Zydus Medtech Private Limited	-	-	3,000	-	-	-
Interest Income:						
Zydus Lifesciences Limited	669	1,147	-	-	-	-
Viona Pharmaceuticals Inc.	-	-	21	23	-	-
Zydus Medtech Private Limited	-	-	145	40	-	-
Total	669	1,147	166	63	-	-

Note: 35-Related Party Transactions - Continued:

INR-Million

Nature of Transactions	Holding Company		Subsidiary/Fellow subsidiary Companies		Enterprises significantly influenced by the Holding Company	
	As at March 31					
	2026	2025	**2026**	2025	**2026**	2025
Outstanding:						
Receivables:						
Zydus Lifesciences Limited	**9,086**	11,455	**-**	-	**-**	-
Zydus Healthcare Limited	**-**	-	**1**	-	**-**	-
Zydus Medtech Private Limited	**-**	-	**4,039**	1,033	**-**	-
ZyVet Animal Health Inc.	**-**	-	**487**	860	**-**	-
Viona Pharmaceuticals Inc.	**-**	-	**474**	427	**-**	-
Total	**9,086**	11,455	**5,001**	2,320	**-**	**-**
Payables:						
Zydus Lifesciences Limited	**26**	78	**-**	-	**-**	-
ZyVet Animal Health Inc.	**-**	-	**237**	173	**-**	-
Zydus Infrastructure Private Limited	**-**	-	**-**	-	**1**	2

		INR-Million	
		Year ended March 31	
		2026	2025
C	Details relating to persons referred to in Note 35-A [f] above:		
i	Salaries and other employee benefits to Whole Time Director and other executive officers	**8**	5
ii	Commission to Non Executive / Independent Directors	**0.1**	0.1
iii	Outstanding payable to above	**0.1**	0.3
D	Details relating to persons referred to in Note 35-A [g] above:		
i	Contributions	**1**	-

Note: 36-Financial Instruments:

A Fair values hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices [unadjusted] in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data relying as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data.

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

	INR-Million			
	As at March 31, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	258	-	-	**258**
Financial Investments at FVTOCI:				
Unquoted equity instruments	-	-	2	**2**
	258	**-**	**2**	**260**
Financial liabilities	-	-	-	**-**

	As at March 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	190	-	-	190
Financial Investments at FVTOCI:				
Unquoted equity instruments	-	-	-	-
	190	**-**	**-**	**190**
Financial liabilities	-	-	-	**-**

C Fair value of instruments measured at amortised cost:

Financial Assets:

The carrying amounts of trade receivables, loans to related parties, loan to other, other financial assets, cash and cash equivalents and investment in commercial papers are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

D Valuation process and technique used to determine fair value:

Specific valuation techniques used to value financial instruments include the use of quoted market prices for similar instruments. The valuation has been derived using the Present Value technique under Income Approach.

Zydus Animal Health and Investments Limited
Notes to the Financial Statements

Note: 37-Financial Risk Management:

A Financial instruments by category:

	INR-Million			
	As at March 31, 2026			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity Instruments [other than investment in Equity of Subsidiaries and Joint Ventures]	-	2	-	2
Mutual Funds	258	-	-	258
Non Current Loans	-	-	13,333	13,333
Non Current Other Financial Assets	-	-	5	5
Trade receivables	-	-	496	496
Cash and Cash Equivalents	-	-	119	119
Bank Balances other than Cash and Cash Equivalents	-	-	272	272
Other Current Financial Assets			258	258
Total	**258**	**2**	**14,483**	**14,743**
Financial liabilities:				
Non Current Other Financial Liabilities	-	-	2	2
Trade payables	-	-	347	347
Other Current Financial Liabilities	-	-	19	19
Total	**-**	**-**	**368**	**368**

	INR-Million			
	As at March 31, 2025			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Equity Instruments [other than investment in Equity of Subsidiaries and Joint Ventures]	-	-	-	-
Mutual Funds	190	-	-	190
Commercial Papers	-		249	249
Non current Loans	-	-	1,434	1,434
Non Current Other Financial Assets	-	-	3	3
Trade receivables	-	-	870	870
Cash and Cash Equivalents	-	-	139	139
Bank Balances other than Cash and Cash Equivalents			429	429
Current loans	-	-	11,830	11,830
Other Current Financial Assets	-	-	418	418
Total	**190**	**-**	**15,372**	**15,562**
Financial liabilities:				
Trade payables	-	-	288	288
Other Current Financial Liabilities	-	-	21	21
Total	**-**	**-**	**309**	**309**

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 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 : The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any significant losses from non-performance by these counterparties, and does not have any significant concentration of exposures.

ii Bank deposits : The Company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.

iii Loans to related parties : They are given for business purposes. The Company reassesses the recoverability of loans periodically. Interest recoveries from these loans are regular and there is no event of defaults.

iv Trade Receivable: The Company trades with a fellow subsidiary company. Receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

Note: 37-Financial Risk Management-Continued:

v There are no significant credit risks with related parties of the Company. The Company is exposed to credit risk in the event of non-payment by customers. 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 related parties] as at March 31, 2026 and March 31, 2025.

Financial assets for which loss allowances is measured using the expected credit loss:

	INR-Million	
	As at March 31	
	2026	2025
Trade Receivables:		
Less than 180 days [including not due]	494	868
180 - 365 days	2	2
Above 365 days	-	-
Total	496	870

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 to meet obligations when due.

b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities:

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

	INR-Million				
	< 1 year	1-2 year	2-3 year	> 3 years	Total
	As at March 31, 2026				
Non-derivative Financial Liabilities:					
Other non current financial liabilities	-	-	-	2	2
Trade payable	342	4	-	1	347
Other current financial liabilities	19	-	-	-	19
Total	**361**	**4**	**-**	**3**	**368**
	As at March 31, 2025				
Non-derivative Financial Liabilities:					
Other non current financial liabilities	-	-	-	-	-
Trade payable	288	-	-	-	288
Other current financial liabilities	21	-	-	-	21
Total	**309**	**-**	**-**	**-**	**309**

c Foreign currency risk:

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed as follows:

	INR-Million	
	Exposure of USD	
	2026	2025
Financial assets:		
Trade receivable	487	867
Loans to Related Parties alongwith interest	474	427
Total exposure to foreign currency risk [assets]	961	1,294
Financial liabilities:		
Trade and other payable	247	231
Total exposure to foreign currency risk [liabilities]	247	231
Net exposure to foreign currency risk	714	1,063

Sensitivity:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	INR-Million					
	As at March 31, 2026			As at March 31, 2025		
	Movement in Rate	Impact on PAT [*]	Impact on OCI [*]	Movement in Rate	Impact on PAT [*]	Impact on OCI [*]
USD	11.00%	58	-	2.50%	20	-
USD	-11.00%	(58)	-	-2.50%	(20)	-

* Holding all other variables constant

Note: 37-Financial Risk Management - Continued:

d Interest rate risk:

The Company's policy is to minimise interest rate cash flow risk. As at March 31, 2026, the Company is not exposed to changes in market interest rates. The Company's investments in Fixed Deposits are at fixed interest rates and commercial papers are at fixed interest rates.

e Price risk:

Exposure:

The Company's exposure to price risk arises from investments in mutual funds held by the Company and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity *:

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

	Movement in Rate	INR-Million			
		As at March 31, 2026		As at March 31, 2025	
		Impact on PAT	Impact on OCI [*]	Impact on PAT	Impact on OCI [*]
Mutual Funds [Unquoted]					
Increase	+2.00%	4	-	3	-
Decrease	-2.00%	(4)	-	(3)	-

* Holding all other variables constant

Note: 38-Disclosure of transactions with Struck off Companies:

The Company did not have any 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: 39-Redemption and Conversion of 8% Optionally Convertible Non-Cumulative Redeemable Preference [OCRPS]:

a On July 31, 2024, the Company has redeemed 360 million number of 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares ("OCRPS") of INR 10/- each aggregating to INR 3600 million held in the name of Holding Company [ZLL] at a price of INR 10/- per share, out of the Reserves and Surplus of the Company. Accordingly, INR 3600 million transferred to Capital Redemption Reserve.

b Pursuant to terms of reference of issue of said OCRPS, ZLL, a sole preference shareholder has exercised the option of conversion of OCRPS into equity shares on March 26, 2025. Accordingly, the Company has converted 12.50 million number of OCRPS of INR 10/- each, held in the name of ZLL, into 12.50 million number of equity shares of INR 10/- each, at a price of INR 10/- per share, in the ratio of one equity share of the Company for one OCRPS.

c On January 16, 2026, the Company has redeemed 150 million number of 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares ("OCRPS") of INR 10/- each aggregating to INR 1500 million held in the name of Holding Company [ZLL] at a price of INR 10/- per share, out of the Reserves and Surplus of the Company. Accordingly, INR 1500 million transferred to Capital Redemption Reserve.

Note: 40-Exceptional Items:

Effective November 21, 2025, the Government of India has consolidated 29 existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the "New Labour Codes". The Company has assessed the financial implications of these changes, which has resulted in one time increase in gratuity and leave encashment liability mainly on account of past service cost by INR 2 Million. Such increase is primarily arising due to change in the definition of "wages" for employees and contract labours.

The Company continues to monitor the developments pertaining to the New Labour Codes and the impact, if any, will be accounted in accordance with applicable accounting standards.

Note: 41-Analytical Ratios:

#	Ratio	Numerator	Denominator	FY 25-26	FY 24-25	% Change
1	Current Ratio [*]	Current Assets	Current Liabilities	**5.06**	46.69	-89.2%
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	**N.A.**	N.A.	N.A.
3	Debt Service Coverage Ratio	Earnings available for debt service	Finance cost + Repayment of Debt	**N.A.**	N.A.	N.A.
4	Return on Equity Ratio[**]	Net Profits after taxes	Average Shareholder's Equity	**2.5%**	5.2%	-52.0%
5	Inventory turnover ratio[^]	Net Sales	Average Inventory	**1.74**	3.64	-52.2%
6	Trade Receivables turnover ratio[^]	Net Sales	Average Trade Receivables	**1.59**	2.94	-45.8%
7	Trade payables turnover ratio [^^]	Net Purchases and Other Expenses	Average Trade Payables	**3.14**	7.06	-55.6%
8	Net capital turnover ratio[^]	Net Sales	Average Working Capital	**0.13**	0.24	-43.4%
9	Net profit ratio	Net Profits after taxes	Net Sales	**53.9%**	65.0%	-17.1%
10	Return on Capital employed [$]	Earnings before interest and taxes	Average Capital Employed	**3.4%**	6.9%	-51.6%
11	Return on investments:					
a	Fixed Deposits	Income from investments during the year	Time weighted average of investments	**7.3%**	7.2%	1.7%
b	Commercial Paper	Income from investments during the year	Time weighted average of investments	**6.5%**	7.7%	-15.0%
c	Mutual Funds	Income from investments during the year	Time weighted average of investments	**6.1%**	6.6%	-8.0%
d	Bonds	Income from investments during the year	Time weighted average of investments	**7.3%**	N.A.	N.A.

[*] Mainly due to decrease in current assets due to decrease in current maturity of loan given.
[**] Mainly due to decrease profit due to decrease in sales.
[^] Mainly due to decrease in sales.
[^^] Mainly due to decrease in purchase of goods.
[$] Mainly due to decrease in earnings before interest and taxes due to decrease in sales.

Note: 42:

a The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities [Intermediaries], with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company [Ultimate Beneficiaries] or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b The Company has not received any funds from any persons or entities, including foreign entities [Funding Party] with the understanding [whether recorded in writing or otherwise], that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party [Ultimate Beneficiaries] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c The Company has used accounting software for maintaining its books of accounts for the year ended on March 31, 2026 which has a feature of recording audit trail [edit log] facility and the same has been operational throughout the year for all relevant transactions recorded in the software. Audit trail has been preserved by the Company as per the statutory requirements for record retention.

d The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

e No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions [Prohibition] Act, 1988 (45 of 1988) and the rules made thereunder.

f The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

g The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

h The Company has complied with the number of layers prescribed under clause [87] of section 2 of the Act read with Companies [Restriction on number of Layers] Rules, 2017.

i No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

j The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 [such as, search or survey or any other relevant provisions of the Income Tax Act, 1961].

Note: 43:

Figures of previous reporting periods have been regrouped/ reclassified to conform to current period's classification.

Signatures to Material Accounting Policies and Notes 1 to 43 to the Financial Statements

As per our report of even date
For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number : 106625W

For and on behalf of the Board

sd/-
Tushar Shroff
Chairman
DIN : 08234045

sd/-	sd/-	sd/-	sd/-
Karnik K. Shah	Hiren Mistry	Mihir J Mehta	Kesava Achari Vadla
Partner	Chief Financial Officer	Company Secretary	Whole Time Director
Membership Number : 129675			DIN : 10991843
Ahmedabad, Dated : May 14, 2026			Ahmedabad, Dated : May 14, 2026