INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ZYDUS PHARMACEUTICALS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Zydus Pharmaceuticals 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 loss, 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 accounts and other books and papers maintained in electronic mode, has been maintained on a 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 does not have any pending litigations which would impact its financial position

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The management has represented that, to the best of its knowledge and belief, 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.

vi. 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

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

Place: Ahmedabad
Date: May 07, 2026
UDIN: 26129675SNEJHO7750

“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, 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 and 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 by the Management at reasonable intervals during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. 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 the 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 and on the basis of our examination of the records, the Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to companies, firms, Limited liability Partnerships and other parties. Accordingly, the reporting requirements under clause (iii) relating to loans, guarantees or security provided to other companies is not applicable.

(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 investments made by the company during the year are not prejudicial to the interest of the company.

(c) According to the information and explanations given to us, the company has not granted any loans and advances in the nature of loans, during the year. Further, there were no outstanding balances in respect of such transactions as at the end of the previous financial year. Hence, reporting under this para (c), (d), (e) and (f) of clause (iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, guarantees or security or made any investments to which provisions of section 185 and 186 of the Act is applicable, accordingly, reporting under this clause of the Order is not applicable to the Company.

(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 of the Act 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 or 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, except one instance of delay in deposit of TDS which has been deposited alongwith applicable interest payable thereon. There was no undisputed amount 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) There are no dues referred to in sub clause (a) above which have been under dispute as on 31st March, 2026.

(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 defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) The term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained;

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the company.

(e) 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) during the year and hence reporting under this clause of the Order is not applicable to the Company.

(b) The Company has made preferential allotment of optionally convertible non-cumulative redeemable preference shares (“OCRPS”) during the year and has complied with the requirements of applicable provisions of section 42 & section 62 of the Companies Act 2013. Further, the funds raised by issuance of such OCRPS have been used by the company for the purposes for which the funds were raised.

(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 the 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) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the reports of the internal auditors for the period under audit.

(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 incurred cash losses of Rs. 2,811 Lakhs during the current year. However, the company has not incurred cash loss 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) On the basis of information and explanations given to us and based on the examination of the records of the company, the provisions of Corporate Social Responsibility ("CSR") of the Act is not applicable to the company. Accordingly, reporting under clause 3(XX) of the Order is not applicable for the year.

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

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

Place: Ahmedabad
Date: May 07, 2026
UDIN: 26129675SNEJHO7750

“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 Pharmaceuticals 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 07, 2026
UDIN: 26129675SNEJHO7750

ZYDUS PHARMACEUTICALS LIMITED [CIN : U24290GJ2019PLC111689]
Balance Sheet as at March 31, 2026

Particulars	Note No.	INR-Lakh	
		As at March 31	
		2026	2025
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 [A]	73,902	58,136
Capital work-in-progress	3 [D]	16,899	4,508
Other Intangible Assets	3 [B]	137	178
Financial Assets:			
Investments	4	46	-
Other Financial Assets [as at March 31,2026 INR 10,150]	5	-	1
Deferred Tax Assets [Net]	6	2,208	842
Other Non-Current Assets	7	3,576	688
Assets for Current Tax [Net]	8	102	277
Total Non-Current Assets		96,870	64,630
Current Assets:			
Inventories	9	20,067	6,877
Financial Assets:			
Investments	10	-	2,877
Trade Receivables	11	7,062	4,510
Cash and Cash Equivalents [as at March 31, 2025: INR 11,121]	12	18	-
Other Current Assets	13	591	415
Total Current Assets		27,738	14,679
Total Assets		1,24,608	79,309
EQUITY AND LIABILITIES:			
Equity:			
Share Capital	14	1,00,000	77,000
Other Equity	15	(11,062)	(4,402)
Total Equity		88,938	72,598
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	16	14,810	-
Other Financial Liabilities	17	33	25
Provisions	18	429	267
Total Non-Current Liabilities		15,272	292
Current Liabilities:			
Financial Liabilities:			
Trade Payables:			
Dues to Micro and Small Enterprises	19	361	72
Dues to other than Micro and Small Enterprises	19	16,900	4,853
Other Financial Liabilities	20	2,700	1,265
Other Current Liabilities	21	261	101
Provisions	22	176	128
Total Current Liabilities		20,398	6,419
Total Liabilities		35,670	6,711
Total Equity and Liabilities		1,24,608	79,309
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/-
Prashant Sharma
Chairman
[DIN - 06812786]

sd/-
Vishal Shah
Whole-time Director
[DIN - 08005523]

sd/-
Karnik K Shah
Partner
Membership Number:129675
Ahmedabad, Dated : May 7, 2026

sd/-
Jignesh Thosani
Chief Financial Officer

sd/-
Dhaval Soni
Company Secretary
Ahmedabad, Dated : May 7, 2026

ZYDUS PHARMACEUTICALS LIMITED [CIN : U24290GJ2019PLC111689]
Statement of Profit and Loss for the year ended March 31, 2026

Particulars	Note No.	INR-Lakh	
		Year ended March 31	
		2026	2025
INCOME:			
Revenue from Operations	24	19,911	14,706
Other Income	25	138	169
Total Income		20,049	14,875
EXPENSES:			
Cost of Materials Consumed	26	17,572	4,630
Changes in Inventories of Work-in-progress and Finished goods	27	(6,413)	(185)
Employee Benefits Expense	28	5,766	4,139
Finance Costs	29	218	1
Depreciation and Amortisation Expense	3 [C]	5,144	3,942
Other Expenses	30	5,224	3,678
Net Loss on foreign currency transactions		465	2
Total Expenses		27,976	16,207
Loss before exceptional item and tax		(7,927)	(1,332)
Less: Exceptional Items	38	61	-
Loss before Tax		(7,988)	(1,332)
Less: Tax Expense:			
Current Tax	31	-	(6)
Deferred Tax	31	(1,359)	(177)
		(1,359)	(183)
Loss for the year		(6,629)	(1,149)
OTHER COMPREHENSIVE INCOME [OCI]:			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment defined benefit plans		(37)	(29)
Income tax effect on above		6	4
Other Comprehensive Loss for the year [Net of Tax]		(31)	(25)
Total Comprehensive Income for the year [Net of Tax]		(6,660)	(1,174)
Basic Earnings per Equity Share [EPS] [in Rupees]	32	(66.29)	(11.49)
Diluted Earnings per Equity Share [EPS] [in Rupees]	32	(6.67)	(1.42)
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/-
Prashant Sharma
Chairman
[DIN - 06812786]

sd/-
Vishal Shah
Whole-time Director
[DIN - 08005523]

sd/-
Karnik K Shah
Partner
Membership Number:129675
Ahmedabad, Dated : May 7, 2026

sd/-
Jignesh Thosani
Chief Financial Officer

sd/-
Dhaval Soni
Company Secretary
Ahmedabad, Dated : May 7, 2026

ZYDUS PHARMACEUTICALS LIMITED [CIN : U24290GJ2019PLC111689]
Cash Flow Statement for the year ended March 31, 2026

Particulars		INR-Lakhs	
	Year ended March 31		
	2026		2025
A Cash flows from operating activities:			
Loss before tax		(7,988)	(1,332)
Adjustments for:			
Depreciation and Amortisation expense	5,144		3,942
Exceptional items [Refer Note-38]	61		-
FVTPL gain/ profit on sale of investments [Net]	(58)		(88)
Interest income	(16)		(5)
Interest expenses	211		-
Provision for employee benefits	112		130
Total		5,454	3,979
Operating [loss]/profit before working capital changes		(2,534)	2,647
Adjustments for:			
[Increase] in trade receivables	(2,552)		(2,483)
[Increase] in inventories	(13,190)		(2,543)
[Increase] in other assets	(51)		(117)
Increase/[Decrease] in trade payables	12,208		(154)
[Decrease]/Increase in other liabilities	(58)		131
Total		(3,643)	(5,166)
Cash generated from operations		(6,177)	(2,519)
Income taxes paid [Net of refunds]		175	(138)
Net cash [used in] operating activities		(6,002)	(2,657)
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]	(34,637)		(6,453)
Proceeds from disposal of property, plant and equipment	2		-
Purchase of non current investments	(46)		-
Redemption of/[Investments in] current investments [net]	2,935		(958)
Interest received	16		5
Net cash [used in] investing activities		(31,730)	(7,406)
C Cash flows from financing activities:			
Proceeds from issuance of preference share	23,000		10,000
Proceeds from non current borrowings	14,810		-
Interest paid	(60)		-
Net cash from financing activities		37,750	10,000
Net increase/[decrease] in cash and cash equivalents		18	(63)
Cash and cash equivalents at the beginning of the year		-	63
Cash and cash equivalents at the end of the year		18	-

Notes to the Cash Flow Statement

1 The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".
2 All figures in brackets are outflows.
3 Summary of Cash and cash equivalents, Bank balance, Liquid Mutual funds and Fixed Deposits more than 12 months:

	INR-Lakh		
	As at March 31		
	2026	2025	2024
a Cash and cash equivalents [as at March 31, 2025: INR 11,121]	18	-	63
b Current Investments	-	2,877	1,831
c Total	18	2,877	1,894

4 Change in liability arising from financing activities:

	INR-Lakh	
	Borrowings	
	Non-Current [Note-16]	Total
As at March 31, 2025	-	-
Cash flow	14,810	14,810
As at March 31, 2026	14,810	14,810

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

sd/-
Karnik K Shah
Partner
Membership Number:129675
Ahmedabad, Dated : May 7, 2026

For and on behalf of the Board

sd/-
Prashant Sharma
Chairman
[DIN - 06812786]

sd/-
Vishal Shah
Whole-time Director
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sd/-
Jignesh Thosani
Chief Financial Officer

sd/-
Dhaval Soni
Company Secretary

Ahmedabad, Dated : May 7, 2026

ZYDUS PHARMACEUTICALS LIMITED [CIN : U24290GJ2019PLC111689]
Statement of Changes in Equity for the year ended March 31, 2026

a Equity Share Capital:

	No. of Shares	INR-Lakh
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up (Note No.14)		
As at March 31, 2024	1,00,00,000	**1,000**
As at March 31, 2025	1,00,00,000	**1,000**
As at March 31, 2026	1,00,00,000	**1,000**
8% Optionally Convertible Non Cumulative Redeemable Preference Shares (OCRPS) of INR 100/- each (Note No.14)		
As at March 31, 2024	6,60,00,000	**66,000**
Issued during the year	1,00,00,000	**10,000**
As at March 31, 2025	7,60,00,000	**76,000**
Issued during the year	2,30,00,000	**23,000**
As at March 31, 2026	9,90,00,000	**99,000**

b Other Equity:

	INR-Lakh	
	Retained Earnings	**Total**
As at March 31, 2024	**(3,228)**	**(3,228)**
Add: Loss for the year	(1,149)	**(1,149)**
Add: Other Comprehensive loss	(25)	**(25)**
As at March 31, 2025	**(4,402)**	**(4,402)**
Add: Loss for the year	(6,629)	**(6,629)**
Add: Other Comprehensive loss	(31)	**(31)**
As at March 31, 2026	**(11,062)**	**(11,062)**

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/-
Prashant Sharma
Chairman
[DIN - 06812786]

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Dhaval Soni
Company Secretary
Ahmedabad, Dated : May 7, 2026

ZYDUS PHARMACEUTICALS LIMITED

Note: 1-Company overview:

Zydus Pharmaceuticals Limited [hereinafter " the company "] [CIN : U24290GJ2019PLC111689], a Company limited by shares, was incorporated in India on December 26, 2019. The Company is engaged in the manufacturing, contract manufacturing and processing of Pharmaceutical products. The registered office of the Company is located at Zydus Corporate Park, Scheme No 63, Survey No 536, Khoraj [Gandhinagar], Nr Vaishnodevi Circle, 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 7, 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 financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in notes to the financial statements.

Critical accounting judgments and estimates:

A Property, Plant and Equipment:

Property, Plant and Equipment represent a large proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as changes in technology. Refer Note-2 [6].

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 - 6 and 31.

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 - 23.

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.

4 Revenue Recognition:

A The Company has applied Ind AS 115 - Revenue from Contracts with Customers. The following is the significant 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, sales tax/ Goods and Services Tax [GST]. When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price [excluding estimates of variable consideration] that is allocated to that performance obligation. Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

b Service Income:

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

c Other Income:

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

Note: 2-Material Accounting Policies-Continued:

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 Profit or Loss, OCI or directly in equity.

B Deferred Tax:

a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b Deferred tax liabilities are recognised for all taxable temporary differences.

c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

e Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

f Deferred tax items are recognised in co-relation to the underlying transaction either in profit or loss, OCI or directly in equity.

g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

6 Property, Plant and Equipment:

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

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

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

The estimated useful lives are as follows:

Asset Class	No. of years
Leasehold Land	Over the period of lease
Buildings	30 to 60 Years
Plant and Equipment	3 to 15 Years
Furniture, Fixtures and Office Equipments	5 to 10 Years
Vehicles	8 Years

D Depreciation on impaired assets is calculated on 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. During the years the company was engaged into construction phase and the company has capitalized all the expenditure which are directly or indirectly or ancillary to the project construction phase as capital work in progress.

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/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. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

B Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.

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

D Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life of four years as estimated by the management at the time of capitalisation.

E Intangible assets with infinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash- generating unit level. The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

Note: 2-Material Accounting Policies-Continued:

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

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 Non Financial Assets:

The Property, Plant and Equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An 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, Packing Materials, Finished Goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realisable value.

B Cost [Net of Input tax credit availed] of Raw Materials, Packing Materials, Finished Goods, and stock-in-trade is determined on Weighted Average Method.

C Costs of Finished Goods and Work-in-Progress are determined by taking material cost [Net of Input tax credit availed], labour and relevant appropriate overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Write down of inventories to net realisable value is recognised as an expense and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and "Cost of Material Consumed" in the relevant note in the Statement of Profit and Loss.

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 on or after April 1 2019, 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 of contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

15 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 by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

B Long term employee benefits obligations:

a Leave Wages and Sick Leave:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months period after the end of the period in which the employees render the related service. They are therefore, measured at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method as determined by actuarial valuation, performed by an independent actuary. The benefits are discounted using the market yields at the end of reporting period that have the terms approximating to the terms of the related obligation. Gains and losses through re-measurements are recognised in Statement of profit and loss.

b Defined Benefit Plans - Gratuity

The Company operates a defined benefit gratuity plan with contributions to be made to a separately administered fund through ICICI Prudential Life Insurance Company Ltd through Employees Group Gratuity Plan. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the statement of Profit and Loss.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the Statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

ii Net interest expense or income.

c Defined Contribution Plans - Provident Fund Contribution:

Employees of the Company, receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary Amounts collected under the provident fund plan are deposited in a government administered provident fund. The company has no further obligation to the plan beyond their monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

16 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 transaction costs, in the case of financial assets not recorded at fair value through profit or loss, that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognised on the settlement date, i.e., the date that the Company settles to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in five categories:

i Debt instruments at amortised cost:

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii Debt instruments at fair value through other comprehensive income [FVTOCI]:

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objectives of both collecting contractual cash flows and selling the financial assets
- The asset’s contractual cash flows represent SPPI.

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

Note: 2-Material Accounting Policies-Continued:

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.

c Derecognition:

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

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

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

d Impairment of financial assets:

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

B Financial Liabilities:

a Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured as amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

C Reclassification of financial assets:

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

17 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, 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.

18 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.

Note: 2-Material Accounting Policies-Continued:

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.

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

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

	Leasehold Land *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	**Total**
Gross Block:							
As at March 31, 2024	4,431	5,551	5,500	125	14	112	**15,733**
Additions	-	10,241	36,702	779	47	72	**47,841**
Disposals	-	-	-	-	-	-	**-**
As at March 31, 2025	4,431	15,792	42,202	904	61	184	**63,574**
Additions	15,205	435	5,132	86	33	71	**20,962**
Disposals	-	-	(3)	-	-	-	**(3)**
As at March 31, 2026	19,636	16,227	47,331	990	94	255	**84,533**
Depreciation and Impairment:							
As at March 31, 2024	156	300	1,026	21	2	38	**1,543**
Depreciation for the year	45	423	3,323	69	5	30	**3,895**
Disposals	-	-	-	-	-	-	**-**
As at March 31, 2025	201	723	4,349	90	7	68	**5,438**
Depreciation for the year	154	502	4,396	87	11	44	**5,194**
Disposals	-	-	(1)	-	-	-	**(1)**
As at March 31, 2026	355	1,225	8,744	177	18	112	**10,631**
Net Block:							
As at March 31, 2025	4,230	15,069	37,853	814	54	116	**58,136**
As at March 31, 2026	19,281	15,002	38,587	813	76	143	**73,902**

[B] Intangible Assets:

	Other Intangible Assets	
	Computer Software	**Total**
Gross Block:		
As at March 31, 2024	56	**56**
Additions	198	**198**
Disposals	-	**-**
As at March 31, 2025	254	**254**
Additions	24	**24**
Disposals	-	**-**
As at March 31, 2026	278	**278**
Amortisation and Impairment:		
As at March 31, 2024	25	**25**
Amortisation for the year	51	**51**
Disposals	-	**-**
As at March 31, 2025	76	**76**
Amortisation for the year	65	**65**
Disposals	-	**-**
As at March 31, 2026	141	**141**
Net Block:		
As at March 31, 2025	178	**178**
As at March 31, 2026	137	**137**

[*] Includes right of use assets, refer Note-39 for detailed breakup.

	INR-Lakh	
	Year ended March 31	
[C] Depreciation and Amortisation Expenses:	**2026**	2025
Depreciation	**5,194**	3,895
Amortisation	**65**	51
Total	**5,259**	3,946
Depreciation transfer to Capital work in progress (CWIP)	**115**	4
Net Depreciation charged to P&L	**5,144**	3,942

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

[D] Capital Work in Progress[Net]:

	INR-Lakh	
	Year ended March 31	
	2026	2025
Opening balance	4,508	47,335
Addition for the year:		
Other Property, Plant and Equipments	16,398	4,723
Depreciation on Right to use assets	115	4
Finance Cost[*]	90	-
Other Expenses	9	46
Consumption Of Materials	-	203
Other Income	(13)	-
Power and Fuel	7	96
Salaries & Wages	34	140
Total	21,148	52,547
Capitalized during the year	(4,249)	(48,039)
Total	16,899	4,508

[*] Borrowing costs capitalised against qualifying assets under construction using capitalisation rate of 6.33% .

	INR-Lakh	
	As at March 31	
	2026	2025
[E] Ageing of Capital-work-in progress:		
A Projects in progress:		
a Less than 1 year	16,130	2,505
b 1 - 2 years	769	1,993
c 2 - 3 years	-	10
Total Capital Work-in-Progress	16,899	4,508

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.

Note: 4-Investments [Non-Current]:

	Face Value	Nos. [*]		
Investment in Equity Instruments [Unquoted] [Valued at fair value through OCI]:				
In fully paid-up Equity Shares of:				
Torrent Urja 25 Private Limited	10	4,59,018 [Nil]	46	-
Total			46	-

[*] In "Nos.", figures of previous year are stated in [ ].

Note: 5-Other Financial Assets:

[Unsecured, Considered Good]		
Security Deposits [as at March 31,2026 INR 10,150]	-	1
Total	-	1

Note: 6-Deferred Tax:

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

INR-Lakh

	As at March 31 2024	Impact for the previous year	As at March 31 2025	Impact for the current year	As at March 31 2026
Deferred Tax Liabilities:					
Property, Plant and Equipment	262	678	940	395	1,335
	262	678	940	395	1,335
Deferred Tax Assets:					
Employee benefits/ Payable to Statutory Authorities	35	19	54	63	117
Receivables	2	2	4	6	10
Unabsorbed depreciation and Business loss	886	838	1,724	1,691	3,416
	923	859	1,782	1,760	3,543
Net Deferred Tax Assets	661	181	842	1,365	2,208

B The Net Deferred Tax asset of INR 1,365 Lakh [Previous Year INR 181 Lakhs] has been recognised in the Statement of Profit and Loss.

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

Followings are the details of tax losses available for set-off against future taxable profit.

INR-Lakh

Particulars	Tax losses set off upto Financial Year	As at March 31 2025	As at March 31 2026
Business Loss	2030-31	867	867
Business Loss	2031-32	1,259	1,259
Business Loss	2033-34	-	2,521
Unabsorbed depreciation	Indefinite period	7,917	15,255
Total		10,043	19,902

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	INR-Lakh	
	As at March 31	
	2026	2025
Note: 7-Other Non-Current Assets:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances - Considered Good	3,558	674
Capital Advances - Credit impaired	18	14
	3,576	688
Less: Allowances for credit impaired	18	14
	3,558	674
Others	18	14
Total	3,576	688
Note: 8-Assets for Current Tax [Net]:		
Advance payment of Tax (Net of provision for taxation of INR Nil [as at March 31, 2025: INR Nil] lakhs)	102	277
Total	102	277
Note: 9-Inventories:		
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	12,857	6,443
Work-in-progress	2,191	17
Finished Goods	4,407	168
Packing Materials	612	249
Total	20,067	6,877
The above includes Goods in transit as under:		
Raw Materials	250	-

Note: 10-Investments [Current]:

	Nos. [*]	2026	2025
Investment in Mutual Funds [Unquoted] [Valued at fair value through profit or loss]:			
ICICI Prudential Liquid Fund - Direct Plan - Growth	Nil [7,49,485.180]	-	2,877
Total		-	2,877
[*] In "Nos.", figures of previous year are stated in [ ].			

Note: 11-Trade Receivables:

	2026	2025
Unsecured- Considered good	7,062	4,510
	7,062	4,510
Less: Allowances for credit losses	-	-
Total	7,062	4,510

Ageing of Trade Receivables: INR-Lakh

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	5,747	988	257	70	-	-	7,062
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	5,747	988	257	70	-	-	7,062
Less: Allowances for credit losses	-	-	-	-	-	-	-
Trade Receivables							7,062
	As at March 31, 2025						
Undisputed – considered good	4,427	83	-	-	-	-	4,510
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	4,427	83	-	-	-	-	4,510
Less: Allowances for credit losses							-
Trade Receivables							4,510

ZYDUS PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Lakh	
	As at March 31	
	2026	2025
Note: 12-Cash and Bank Balances:		
Cash and Cash Equivalents:		
Balances with Banks [as at March 31, 2025: INR 11,121]	18	-
Total	18	-
There are no amounts of cash and cash equivalent balances held by the entity that are not available for use.		
Note: 13-Other Current Assets:		
[Unsecured, Considered Good, unless otherwise stated]		
Balances with Statutory Authorities	7	8
Advances to Suppliers	394	257
Prepaid Expenses	171	122
Others	19	28
Total	591	415
Note: 14- Share Capital:		
Authorised:		
1,00,00,000 [As at March 31, 2025: 1,00,00,000] Equity Shares of INR 10/- [INR 10/-] each	1,000	1,000
9,90,00,000 [as at March 31, 2025: 7,90,00,000] 8% Optionally Convertible Non Cumulative Redeemable Preference Shares [OCRPS] of INR 100/- [INR 100/-] each	99,000	79,000
	1,00,000	80,000
Issued, Subscribed and Paid-up:		
1,00,00,000 [As at March 31, 2025: 1,00,00,000] Equity Shares of INR 10/- [INR 10/-] each, fully paid up	1,000	1,000
9,90,00,000 [As at March 31, 2025: 7,60,00,000] 8% Optionally Convertible Non Cumulative Redeemable Preference Shares [OCRPS] of INR 100/- [INR 100/-] each, fully paid up	99,000	76,000
Total	1,00,000	77,000
A There is no change in the number of equity shares as at the beginning and end of the year.		
Number of shares at the beginning and end of the year	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000
Number of 8% Optionally Convertible Non Cumulative Redeemable Preference Shares at the beginning of the year	7,60,00,000	6,60,00,000
Add: Shares Issued during the year	2,30,00,000	1,00,00,000
Number of 8% Optionally Convertible Non Cumulative Redeemable Preference Shares at the end of the year	9,90,00,000	7,60,00,000
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 the tenure of the 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 the date of allotment. At any time during the tenure of the OCRPS, the Company shall have a right to redeem, all or any part of outstanding OCRPS. The OCRPS shall carry a preferential right with respect to dividend on the paid up capital in the event of distribution of profits by the company.		
D Details of Shareholder holding more than 5% of aggregate Equity Shares of INR 10/- each:		
Zydus Lifesciences Limited and its nominees		
Number of Shares	1,00,00,000	1,00,00,000
% to total share holding	100%	100%
E All the OCRPS of INR 100/- each, fully paid up held by Holding Company, Zydus Lifesciences Limited:		
Number of Shares	9,90,00,000	7,60,00,000
% to total share holding	100%	100%
F Equity Shares held by the promoters/ promoter group of the Company as at the end of the year March 31, 2026 and 2025:		

	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Lifesciences Limited and its Nominees	1,00,00,000	100%	-

	2026	2025
Note: 15-Other Equity:		
Retained Earnings:		
Balance as per last Balance Sheet	(4,402)	(3,228)
Add: Loss for the year	(6,629)	(1,149)
	(11,031)	(4,377)
Less: Items of other Comprehensive income recognised directly in Retained Earnings:		
Re-measurement [losses] on defined benefit plans	(31)	(25)
Balance as at the end of the year	(11,062)	(4,402)
Total	(11,062)	(4,402)

ZYDUS PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Lakh	
	As at March 31	
	2026	2025
Note: 16-Borrowings:		
From related parties [Unsecured] [*]	14,810	-
Total	14,810	-

Terms of repayment for unsecured borrowings:

[*] Borrowings of INR 14,810 lakhs [As at March 31, 2025: Nil] is availed from holding company [Zydus Lifesciences Limited] will be repaid within 5 years from the date of first disbursement. Interest on loan is payable on half yearly basis. The outstanding amount as at March 31, 2026 is INR 14,810 Lakhs [as at March 31, 2025: Nil].
The interest rates on the above borrowings are in the range of Treasury Bill plus a margin.

	2026	2025
Note: 17-Other Financial Liabilities:		
Security Deposits	33	25
Total	33	25
Note: 18-Provisions:		
Provision for Employee Benefits	429	267
Total	429	267

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 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 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 governme 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 ICICI Prudential Life Insurance Company Ltd 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-Lakh					
	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	13	317	238	10	194	128
Transfer in/ (out) Obligation	3	37	45	-	14	13
Interest cost	1	19	18	-	12	9
Current service cost	8	134	88	3	75	59
Past service cost	1	30	30	-	-	-
Benefits paid	-	(43)	(6)	-	(18)	-
Actuarial [gains]/ losses on obligation due to:						
Experience adjustments	-	41	57	(1)	30	17
Change in financial assumptions	(2)	(19)	(24)	1	10	12
Closing obligation	24	516	446	13	317	238
C Change in the fair value of plan assets:						
Opening fair value of plan assets	-	-	173	-	-	96
Transfer in/ (out) Assets	-	-	-	-	-	-
Interest Income	-	-	13	-	-	8
Return on planned assets	-	-	(3)	-	-	(1)
Contributions by employer	-	-	204	-	-	70
Benefits paid	-	-	(6)	-	-	-
Closing fair value of plan assets	-	-	381	-	-	173
Total actuarial [losses] / gains to be recognised	(2)	(22)	(36)	-	(40)	(30)
D Actual return on plan assets:	-	-	-			
Expected return on plan assets	-	-	10	-	-	7
Actual return on plan assets	-	-	10	-	-	7

Note: 18-Long Term Provisions-Continued:

	INR-Lakh As at March 31					
	2026			2025		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
E Amount recognised in the balance sheet:						
Liabilities/ [Assets] at the end of the year	**24**	**516**	**446**	13	317	238
Fair value of plan assets at the end of the year	**-**	**-**	**(381)**	-	-	(173)
Liabilities/ [Assets] recognised in the Balance Sheet	**24**	**516**	**65**	13	317	65
F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	**8**	**134**	**88**	3	75	59
Past service cost	**1**	**30**	**30**	-	-	-
Interest cost on benefit obligation	**1**	**19**	**18**	-	12	9
Expected return on plan assets	**-**	**-**	**-**	-	-	-
Return on plan assets excluding amounts included in interest income	**-**	**-**	**(13)**	-	-	(8)
Net actuarial [gains]/ losses in the year	**(2)**	**22**	**-**	-	40	-
Amount included in "Employee Benefits Expense"	**7**	**175**	**93**	3	127	60
Amount included in "Exceptional items"[Refer Note-38	**1**	**30**	**30**	-	-	-
Return on plan assets excluding amounts included in interest income	**-**	**-**	**-**	-	-	-
Net actuarial [gains]/ losses in the year	**-**	**-**	**36**	-	-	30
Amounts recognized in OCI	**-**	**-**	**36**	-	-	30
G Movement in net liabilities recognised in Balance Sheet:						
Opening net liabilities	**13**	**317**	**65**	10	194	32
Transfer in/ (out) Obligation	**3**	**37**	**45**	-	14	13
Expenses as above [P & L Charge]	**8**	**205**	**123**	3	127	60
Employer's contribution	**-**	**-**	**-**	-	-	-
Amount recognised in OCI	**-**	**-**	**36**	-	-	30
Benefits Paid	**-**	**(43)**	**(6)**	-	(18)	-
Contribution to plan assets	**-**	**-**	**(204)**	-	-	(70)
Liabilities/ [Assets] recognised in the Balance Sheet	**24**	**516**	**65**	13	317	65
H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:						
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: **12% for next 2 year, 9% thereafter** (2026); 12% for next 2 year, 9% thereafter (2025)

[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]

Withdrawal rates [p.a.]: **40% at younger ages reducing to 1% at older ages** (2026); 40% at younger ages reducing to 1% at older ages (2025)

[The estimates of level of attrition is based on broad economic outlook, type of sector the Company operates in and measures taken by the management to retain/ relieve the employees]

I The categories of plan assets as a % of total plan assets are:	Medical Leave 2026	Leave Wages 2026	Gratuity 2026	Medical Leave 2025	Leave Wages 2025	Gratuity 2025
Insurance plan	**0.00%**	**0.00%**	**100%**	0.00%	0.00%	100.00%

The expected contributions for Defined Benefit Plan for the next financial year will be INR 65 Lakh [Previous year 65 Lakhs].

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7.76 years [as at March 31, 2025: 8.02 years].

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumptions is shown below:

Assumptions	INR-Lakh					
	Medical Leave		**Leave Wages**		**Gratuity**	
	As at March 31					
	2026	2025	**2026**	2025	**2026**	2025
Impact on obligation:						
Discount rate increase by 0.5%	**(1)**	(1)	**(15)**	(9)	**(18)**	(10)
Discount rate decrease by 0.5%	**1**	1	**15**	10	**20**	12
Annual salary cost increase by 0.5%	**1**	1	**15**	10	**20**	12
Annual salary cost decrease by 0.5%	**(1)**	(1)	**(15)**	(9)	**(18)**	(10)
Withdrawal rate increase by 10%	**(2)**	(1)	**(7)**	(6)	**(10)**	(9)
Withdrawal rate decrease by 10%	**1**	1	**8**	7	**12**	11

The following payments are expected contributions to the defined benefit plan in future years:

	INR-Lakh	
	As at March 31	
	2026	2025
Within the next 12 months [next annual reporting period]	**140**	72
Between 2 and 5 years	**391**	217
Between 6 and 10 years	**301**	174
Total expected payments	**832**	463

ZYDUS PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Lakh	
	As at March 31	
	2026	2025
Note: 19-Trade Payables:		
Dues to Micro and Small Enterprises [*]	361	72
Dues to other than Micro and Small Enterprises	16,900	4,853
Total	17,261	4,925
[*] Disclosure in respect of Micro and Small Enterprises:		
A Principal amount remaining unpaid to any supplier as at year end	361	72
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	16	3
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 : INR-Lakh

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]	314	46	1	-	-	361
Undisputed Others	7,509	7,488	973	925	5	16,900
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	7,823	7,534	974	925	5	17,261
	As at March 31, 2025					
Undisputed Micro and Small Enterprises [MSME]	45	25	2	-	-	72
Undisputed Others	2,645	1,321	884	1	2	4,853
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	2,690	1,346	886	1	2	4,925

	2026	2025
Note: 20-Other Financial Liabilities:		
Book Overdraft [as at March 31, 2026: Nil]	-	13
Interest accrued but not due on borrowings	151	-
Accrued Expenses	161	373
Payable for Capital Goods	2,388	879
Total	2,700	1,265
Note: 21-Other Current Liabilities:		
Advances from Customers (as at March 31,2026 INR 19,860 [as at March 31,2025 INR 21,516])	-	-
Payable to Statutory Authorities	250	93
Others	11	8
Total	261	101
Note: 22-Provisions:		
Provision for Employee Benefits	176	128
Total	176	128
Note: 23-Contingent Liabilities and Commitments [to the extent not provided for]:		
A Commitments:		
a Estimated amount of contracts remaining to be executed on capital account and not provided for	39,662	3,740
- Net of advance of	3,537	677
B Contingent Liabilities:	-	-

ZYDUS PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Lakh	
	Year ended March 31	
	2026	2025
Note: 24-Revenue from Operations:		
Sale of Products	11,526	591
Other Operating Revenues:		
Contract manufacturing and processing income	8,317	14,048
Miscellaneous Income	68	67
Total	19,911	14,706
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	11,526	591
Less:		
Provision for Expiry and Sales Return	-	-
Discounts/ Price Reduction/ Rebates/ Other adjustments	-	-
	-	-
Revenue from contract with customers	11,526	591
The Company has recognised revenue of INR 0.22 lakhs (INR 21,516) [March 31, 2025 INR 0.24 lakhs (INR 23,755)] from the amounts included under advance received from customers at the beginning of the year.		
Note: 25-Other Income:		
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost (as at March 31,2026: INR 698 [as at March 31,2025: INR 700])	-	-
	-	-
Net Gain on Financial Assets mandatorily measured at FVTPL	58	88
Other Income	80	81
Total	138	169
Note: 26-Cost of Materials Consumed:		
Raw Materials:		
Stock at commencement	6,443	3,997
Add: Purchases	22,550	6,929
	28,993	10,926
Less: Stock at close	12,857	6,443
	16,136	4,483
Packing Materials consumed	1,436	147
	17,572	4,630
Note: 27-Changes in Inventories:		
Stock at commencement:		
Work-in-progress	17	-
Finished Goods	168	-
	185	-
Less: Stock at close:		
Work-in-progress	2,191	17
Finished Goods	4,407	168
	6,598	185
Total	(6,413)	(185)
Note: 28-Employee Benefits Expense:		
Salaries and wages	5,155	3,683
Contribution to provident and other funds [*]	418	284
Staff welfare expenses	193	172
Total	5,766	4,139
[*] The Company's contribution towards defined contribution plan:	300	209
The Company makes Provident Fund contributions to defined contribution plans for qualifying employees, as specified under the law. The contributions are paid to the respective Regional Provident Fund Commissioner under the Pension Scheme.		
Note: 29-Finance Cost:		
Interest expense on Loan from Related Party [Refer Note-34]	211	-
Other finance cost	7	1
Total	218	1

ZYDUS PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Lakh	
	Year ended March 31	
	2026	2025
Note: 30-Other Expenses:		
Consumption of Stores and spare parts	1,443	1,072
Power & fuel	1,345	936
Effluent Treatment Plant charges	458	368
Analytical Expenses	53	43
Repairs to Buildings	81	45
Repairs to Plant and Machinery	250	180
Repairs to Others	44	32
Insurance	187	112
Traveling Expenses	28	14
Legal and Professional Fees [*]	243	122
Miscellaneous Expenses	1,092	754
Total	5,224	3,678
[*] Legal and Professional Fees include:		
Payment to the Statutory Auditors [excluding GST]:		
- As Auditor	3	2
- For Other Services	1	1
- Total	4	3
Note: 31-Tax Expenses:		
The major components of income tax expense are:		
A Statement of profit and loss:		
Profit or loss section:		
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous years	-	(6)
	-	(6)
Deferred tax:		
Relating to origination and reversal of temporary differences [Refer Note-6]	(1,359)	(177)
Tax expense reported in profit or loss	(1,359)	(183)
OCI Section:		
Tax related to items recognised in OCI during in the year:		
Net loss on re-measurements of defined benefit plans	6	4
Tax credit to OCI	6	4
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
Profit before tax	(7,988)	(1,332)
Enacted Tax Rate in India (%)	17.16%	17.16%
Expected Tax Expenses	(1,371)	(229)
Adjustments for:		
Tax effect due to non-taxable income for tax purposes	-	(2)
Effect of non-deductible expenses	5	1
Effect of unrecognised excess deferred tax assets/liabilities	7	53
Effect of current income tax of previous years	-	(6)
Total	12	46
Tax Expenses as per Profit or Loss	(1,359)	(183)

Note: 32-Calculation of Earnings per Equity Share [EPS]:

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

			2026	2025
A	Loss attributable to Shareholders	INR-Lakh	(6,629)	(1,149)
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	1,00,00,000	1,00,00,000
C	Effect of dilution - 8% Optionally Convertible Non-cumulative Redeemable Preference Shares	Numbers	8,93,98,630	7,06,82,192
D	Weighted average number of Equity shares adjusted for the effect of dilution	Numbers	9,93,98,630	8,06,82,192
E	Nominal value of equity share	INR	10	10
F	Basic EPS	INR	(66.29)	(11.49)
G	Diluted EPS	INR	(6.67)	(1.42)

Note: 33-Segment Information:

The Chief Operating Decision Maker [CODM] reviews the Company as a single segment, namely " Pharmaceuticals Business".

	2026	2025
Revenue derived from a single customers which amount to 10% or more of total sales	18,836	14,004

Note: 34-Related Party Transactions:

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

a Holding Company:

Zydus Lifesciences Limited

b Fellow Subsidiaries/ 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]
Zydus Animal Health and Investments Limited [ZAHIL]
Dialforhealth Unity Limited
Dialforhealth Greencross Limited
Violio Healthcare Limited
Biochem Pharmaceutical Private 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]
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]
Zydus Pharmaceuticals (USA) Inc. [ZPUI] [USA]
Nesher Pharmaceuticals (USA) LLC [USA] [Merged with ZPUI w.e.f. October 25, 2024]
ZyVet Animal Health Inc. [USA]
Zydus Healthcare (USA) LLC [USA]
Sentynl Therapeutics Inc. [USA]
Viona Pharmaceuticals 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]
Mediconseil [w.e.f. December 19, 2025]
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]

c Joint Venture [JV] Companies of Holding Company/Fellow Subsidiaries:

Zydus Hospira Oncology Private Limited [JV of ZLL]
Zydus Takeda Healthcare Private Limited [JV of ZLL]
Sterling Biotech Limited [w.e.f. August 29, 2024] [JV of ZAHIL]
Bayer Zydus Pharma Private Limited [Up to May 2, 2024] [JV of ZLL]
Oncosol Limited [JV of LiqMed]

d Enterprises significantly influenced by Holding Company with whom transactions have taken place:

Zydus Infrastructure Private Limited
Mukesh M. Patel & Co.
Zydus Hospitals and Healthcare Research Private Limited
Vitely Corp Private Limited [Formerly known as Vitely Bio LLP]

e Key Managerial Personnel:

Mr. Prashant Sharma	Director
Mr. Chimanlal Patel	Director
Mr. Mukund Thakkar	Director
Mrs. Sujatha Rajesh	Women Director
Mr. Vishal Shah	Wholetime Director
Mr. Jignesh Thosani	Chief Financial Officer
Mr. Dhaval Soni	Company Secretary

f Post Employment Benefits Plans with whom transactions have taken place:

Zydus Pharmaceuticals Limited Employees Group Gratuity Scheme

Note: 34-Related Party Transactions-Continued:

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

a Details relating to parties referred to in Note 34A [a, b & d]

INR-Lakh

Nature of Transactions	Holding Company		Fellow Subsidiary Companies		Enterprises significantly influenced by Holding Company	
	Year ended March 31					
	2026	2025	**2026**	2025	**2026**	2025
Purchases:						
Goods:						
Zydus Lifesciences Limited	**15,164**	3,662	**-**	-	**-**	-
Services:						
Zydus Lifesciences Limited	**32**	21	**-**	-	**-**	-
Zydus Infrastructure Private Limited	**-**	-	**-**	-	**430**	355
Zydus Animal Health and Investments Limited	**-**	-	**1**	-	**-**	-
Others	**-**	-	**-**	-	**7**	2
Property, Plant and Equipment						
Zydus Infrastructure Private Limited	**-**	-	**-**	-	**15,285**	-
Zydus Lifesciences Limited	**-**	8	**-**	-	**-**	-
Reimbursement of Expenses paid:						
Zydus Lifesciences Limited	**9**	-	**-**	-	**-**	-
Sales:						
Goods:						
Zydus Lifesciences Limited	**11,782**	655	**-**	-	**-**	-
Zydus Animal Health and Investments Limited	**-**	-	**3**	-	**-**	-
Services:						
Zydus Lifesciences Limited	**7,374**	13,486	**-**	-	**-**	-
Zydus Worldwide DMCC	**-**	-	**-**	(68)	**-**	-
Zydus Lifesciences Global FZE	**-**	-	**1,007**	703	**-**	-
Property, Plant and Equipment						
Zydus Lifesciences Limited	**2**	-	**-**	-	**-**	-
Finance:						
Issue of Preference shares						
Zydus Lifesciences Limited	**23,000**	10,000	**-**	-	**-**	-
Inter Corporate Loan accepted						
Zydus Lifesciences Limited	**14,810**	-	**-**	-	**-**	-
Zydus Healthcare Limited	**-**	-	**16,500**	-	**-**	-
Inter Corporate Loan repaid to:						
Zydus Healthcare Limited	**-**	-	**16,500**	-	**-**	-
Interest expenses:						
Zydus Lifesciences Limited	**168**	-	**-**	-	**-**	-
Zydus Healthcare Limited	**-**	-	**133**	-	**-**	-

	As at March 31					
	2026	2025	**2026**	2025	**2026**	2025
Outstanding:						
Payable:						
Zydus Lifesciences Limited	**13,162**	3,000	**-**	-	**-**	-
Zydus Healthcare Limited	**-**	-	**2**	-	**-**	-
Zydus Infrastructure Private Limited	**-**	-	**-**	-	**91**	47
Receivable:						
Zydus Lifesciences Limited	**5,883**	4,384	**-**	-	**-**	-
Zydus Animal Health and Investments Limited	**-**	-	**3**	-	**-**	-
Zydus Lifesciences Global FZE	**-**	-	**1,007**	150	**-**	-

	INR-Lakh Year ended March 31	
	2026	2025
b Details relating to persons referred to in Note-34A[e] above:		
[i] Salaries and other employee benefits to executive officers of the company	**167**	135
[ii] Outstanding payable to above [i]	**-**	5
c Details relating to persons referred to in Note-34A[f] above:		
[i] Contributions [including Employees' share and contribution]	**204**	73

d There are no transactions with parties referred to in items 34A[c].

Note: 35-Financial Instruments:

A Fair values hierarchy:

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

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

Level 2: Inputs other than quoted prices included within Level 1 which are observable for the assets or liabilities, either directly or indirectly.

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

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

	INR-Lakh			
	As at March 31, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	-	-	-	-
Financial Investments at FVTOCI:				
Unquoted equity instruments	-	-	46	46
Total financial assets	-	-	46	46
Financial liabilities	-	-	-	-
	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	2,877	-	-	2,877
	2,877	-	-	2,877
Financial liabilities	-	-	-	-

C Fair value of instruments measured at amortised cost:

Financial Assets:

The carrying amounts of trade receivables, other financial assets and cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of trade payables, other financial liabilities and borrowings 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 derive using the Present Value technique under Income Approach.

Note: 36-Financial Risk Management:

A Financial instruments by category:

	INR-Lakh			
	As at March 31, 2026			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Investments in equity instruments [other than investment in Equity of Subsidiaries and Joint Ventures]	-	46	-	46
Cash and cash equivalents	-	-	18	18
Trade receivables	-	-	7,062	7,062
Total	-	46	7,080	7,126
Financial liabilities:				
Borrowings [including current maturities and interest accrued but not due]	-	-	14,961	14,961
Trade payables	-	-	17,261	17,261
Non Current Other Financial Liabilities	-	-	33	33
Payable for Capital Goods	-	-	2,388	2,388
Other Current Financial Liabilities	-	-	161	161
Total	-	-	34,804	34,804

	INR-Lakh			
	As at March 31, 2025			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Non Current Other Financial Assets	-	-	1	1
Investments - Mutual Funds	2,877	-	-	2,877
Trade receivables	-	-	4,510	4,510
Total	2,877	-	4,511	7,388
Financial liabilities:				
Trade payables	-	-	4,925	4,925
Non Current Other Financial Liabilities	-	-	25	25
Payable for Capital Goods	-	-	879	879
Book Overdraft	-	-	13	13
Other Current Financial Liabilities	-	-	373	373
Total	-	-	6,215	6,215

Note: 36-Financial Risk Management-Continued:

Financial Assets:

The carrying amounts of trade receivables, other financial assets and cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

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

B Risk Management:

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the 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. 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 other financial assets. The Company periodically assesses the financial reliability of the counter party taking into account the historical cost.

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 Trade Receivable: The Company trades with related parties of the company.There are no significant credit risks with related parties of the Company.

b Liquidity risk:

a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements. The holding company has also ensured the company about the funding requirements that may arise from time to time so as to have smooth functioning of the company.

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-Lakh				
	< 1 year	**1-2 year**	**2-3 year**	**> 3 years**	**Total**
	As at March 31, 2026				
Non-derivative Financial Liabilities:					
Borrowings [including current maturities and interest accrued but not due	151	-	-	14,810	**14,961**
Trade payables	17,261	-	-	-	**17,261**
Non Current Other Financial Liabilities	-	-	-	33	**33**
Payable for Capital Goods	2,388	-	-	-	**2,388**
Other Current Financial Liabilities	161	-	-	-	**161**
Total	**19,961**	**-**	**-**	**14,843**	**34,804**

	INR-Lakh				
	< 1 year	**1-2 year**	**2-3 year**	**> 3 years**	**Total**
	As at March 31, 2025				
Non-derivative Financial Liabilities:					
Trade payable	4,925	-	-	-	**4,925**
Non Current Other Financial Liabilities	-	-	-	25	**25**
Payable for Capital Goods	879	-	-	-	**879**
Book Overdraft	13	-	-	-	**13**
Other Current Financial Liabilities	373	-	-	-	**373**
Total	**6,190**	**-**	**-**	**25**	**6,215**

Note: 36-Financial Risk Management-Continued:

c Foreign currency risk:

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes operations of the Company.

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR-Lakh, are as follows:

	INR-Lakh	
	Exposure of USD	
	As at March 31	
	2026	2025
Financial assets:		
Trade and other receivable	6,671	1,585
Total exposure to foreign currency risk [assets]	6,671	1,585
Financial liabilities:		
Trade and other payable	12,626	3,402
Total exposure to foreign currency risk [liabilities]	12,626	3,402
Net exposure to foreign currency risk	(5,955)	(1,817)

	INR-Lakh	
	Exposure of Other Foreign Currencies	
	As at March 31	
	2026	2025
Financial assets:		
Trade and other receivable	-	349
Total exposure to foreign currency risk [assets]	-	349
Financial liabilities:		
Trade and other payable	25	8
Total exposure to foreign currency risk [liabilities]	25	8
Net exposure to foreign currency risk	(25)	341

Sensitivity *:

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

	INR-Lakh					
	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%	(543)	-	2.50%	(38)	-
USD	-11.00%	543	-	-2.50%	38	-
Others	20.00%	(4)	-	4.00%	56	-
Others	-20.00%	4	-	-4.00%	(56)	-

* Holding all other variables constant

d Interest rate risk:

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at March 31, 2026, the Company is exposed to changes in market interest rates through borrowings at variable interest rates. The Company's investments in Fixed Deposits are at fixed interest rates.

Sensitivity *:

Below is the sensitivity of Profit or loss and equity to changes in interest rates:

	Movement in Rate	INR-Lakh	
		As at March 31	
		2026	2025
Interest rates	+0.50%	61	-
Interest rates	-0.50%	(61)	-

* Holding all other variables constant

e Price risk:

Exposure:

The Company's exposure to price risk arises from investments in equity and mutual funds held by the Company and classified in the balance sheet as fair value through OCI and at fair value through profit or loss respectively. To manage its price risk arising from investments in equity securities and mutual funds, the Company diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity *:

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

	Movement in Rate	INR-Lakh			
		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%	-	-	58	-
Decrease	-2.00%	-	-	(58)	-

* Holding all other variables constant

ZYDUS PHARMACEUTICALS LIMITED
Notes to the Financial Statements

Note: 37-Capital Management:

The Company' s capital management objectives are:

a To ensure the Company's ability to continue as a going concern
b To provide an adequate return to shareholders
c To maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	INR-Lakh	
	As at March 31	
	2026	2025
Gross debts	**14,810**	-
Total equity	**88,938**	72,598
Gross debt to equity ratio [No. of times]	**0.17**	-

Loan covenants:

For the debt outstanding as at March 31, 2026 the Compnay is not liable to fulfill any financial covenant.

Note: 38-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 61 Lakhs. 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: 39-Leases:

Lessee:

A Relating to statement of financial position:

1 Under Ind AS 116, the Company recognises right to use assets and lease liabilities for most leases. Right of use assets are part of financial statement caption "Property plant and equipment'. Depreciation and impairment is similar to measurement of owned assets.

	INR-Lakh	
Right of use assets	**Land**	**Total**
Balance as at March 31, 2024 [Net]	4,275	4,275
Additions during the year	-	-
Depreciation charge for the year	45	45
Balance as at March 31, 2025 [Net]	**4,230**	**4,230**
Additions during the year	15,205	15,205
Depreciation charge for the year	154	154
Balance as at March 31, 2026 [Net]	**19,281**	**19,281**

Note: 40-Analytical Ratios:

#	Ratio	Numerator	Denominator	FY 25-26	FY 24-25	% Change
1	Current Ratio[i]	Current Assets	Current Liabilities	**1.36**	2.29	(41%)
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	**0.17**	-	N.A.
3	Debt Service Coverage Ratio[ii]	Earnings available for debt service @	Finance cost + Repayment of debt	**(12.81)**	-	N.A.
4	Return on Equity Ratio[iii]	Net Profits after taxes	Average Shareholder's Equity	**(8.21%)**	(1.69%)	(387%)
5	Inventory Turnover Ratio [iv]	Net Sales	Average Inventory	**1.47**	2.61	(44%)
6	Trade Receivables Turnover Ratio	Net Sales	Average Trade Receivables	**3.43**	4.48	(23%)
7	Trade payables turnover ratio [v]	Net Purchases and Other	Average Trade Payables	**2.55**	2.14	19%
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital	**2.54**	3.18	20%
9	Net Profit Ratio[vi]	Net Profits after taxes	Net Sales	**(33.41%)**	(7.85%)	(326%)
10	Return on Capital employed [vii]	Earnings before interest and	Average Capital Employed	**(8.74%)**	(1.95%)	(348%)
11	Return on investments:					
a	Fixed Deposits	Income from investments	Time weighted average of	**7.00%**	7.00%	NA
b	Mutual Funds	Income from investments	Time weighted average of	**6.07%**	7.00%	-13.3%

[i] Mainly due to increase in inventories, payable for capital goods and decrease in investment.
[ii] Mainly due to fresh borrowing in current year.
[iii] Mainly due to increase in loss during the current year.
[iv] Due to increase in sales & average inventory during the year.
[v] Mainly due to increase in purchase and average trade payable.
[vi] Mainly due to increase in loss during the year.
[vii] Mainly due to increase in loss and increase in average capital employed.
[@] Net profit after taxes + non cash operating expenses + finance cost - other income.

Note: 41:

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: 42-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: 43:

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

Signatures to Material Accounting Policies and Notes 3 to 43 to the Financial Statements

As per our report of even date		For and on behalf of the Board
For Mukesh M. Shah & Co.		
Chartered Accountants		
Firm Registration Number:106625W	sd/-	sd/-
	Prashant Sharma	Vishal Shah
	Chairman	Whole-time Director
	[DIN - 06812786]	[DIN - 08005523]
sd/-	sd/-	sd/-
Karnik K Shah	Jignesh Thosani	Dhaval Soni
Partner	Chief Financial Officer	Company Secretary
Membership Number:129675		Ahmedabad, Dated : May 7, 2026
Ahmedabad, Dated : May 7, 2026		