



Dedicated To Life

December 30, 2024

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

Dear Sir / Madam,

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

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

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

The credit rating letter along with rationale is enclosed herewith.

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

Thanking you,

Yours faithfully,

For, **ZYDUS LIFESCIENCES LIMITED**

**DHAVAL N. SONI**  
**COMPANY SECRETARY**

Encl.: As above

Zydus Lifesciences Limited

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



RL/CAHEALT/360135/BLR/1224/105680  
December 30, 2024



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

Dear Mr. Yatin Desai,

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

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

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

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.4724 Crore</b>
<b>Long Term Rating</b>	<b>CRISIL AAA/Stable (Reaffirmed)</b>
<b>Short Term Rating</b>	<b>CRISIL A1+ (Reaffirmed)</b>

*(Bank-wise details as per Annexure 1)*

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

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

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

With warm regards,

Yours sincerely,

Joanne Annie Gonsalves  
Associate Director - CRISIL Ratings

Nivedita Shibu  
Director - CRISIL Ratings



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

**CRISIL Ratings Limited**

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

S.No.	Bank Facility	Bank	Amount (Rs. in Crore)	Outstanding Rating
1	Bank Guarantee	DBS Bank Limited	50	CRISIL A1+
2	Bank Guarantee	HDFC Bank Limited	50	CRISIL A1+
3	Bank Guarantee	Bank of Baroda	50	CRISIL A1+
4	Bank Guarantee	ICICI Bank Limited	50	CRISIL A1+
5	Bank Guarantee	MUFG Bank Limited	50	CRISIL A1+
6	Cash Credit	JP Morgan Chase Bank N.A. India	125.73	CRISIL AAA/Stable
7	Cash Credit	BNP Paribas Bank	8.38	CRISIL AAA/Stable
8	Cash Credit	Citibank N. A.	8.38	CRISIL AAA/Stable
9	Cash Credit	IDBI Bank Limited	50	CRISIL AAA/Stable
10	Cash Credit	Bank of America N.A.	1559.05	CRISIL AAA/Stable
11	Cash Credit	Mizuho Bank Limited	167.64	CRISIL AAA/Stable
12	Cash Credit	Bank of Baroda	50	CRISIL AAA/Stable
13	Cash Credit	HDFC Bank Limited	550	CRISIL AAA/Stable
14	Cash Credit	YES Bank Limited	100	CRISIL AAA/Stable
15	Cash Credit	Standard Chartered Bank	65	CRISIL AAA/Stable
16	Cash Credit	DBS Bank Limited	250	CRISIL AAA/Stable
17	Cash Credit	The Hongkong and Shanghai Banking Corporation Limited	41.91	CRISIL AAA/Stable
18	Cash Credit	ICICI Bank Limited	250	CRISIL AAA/Stable
19	Cash Credit	MUFG Bank Limited	400	CRISIL AAA/Stable
20	Proposed Term Loan	Not Applicable	847.91	CRISIL AAA/Stable
	<b>Total</b>		<b>4724</b>	

1-5. Interchangeable with letter of credit facility

6-11,14,15,17. Interchangeable with bank guarantee and letter of credit facility

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RL/CAHEALT/360135/CP/1224/105679  
December 30, 2024



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

Dear Mr. Yatin Desai,

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

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

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

For the purpose of issuance of captioned commercial paper programme, this letter is valid for 60 calendar days from the date of the letter. In the event of your company not placing the above programme within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid (unless revised) throughout the life of the captioned Commercial Paper Programme with a maximum maturity of one year.

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

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

With warm regards,

Yours sincerely,



Joanne Annie Gonsalves  
Associate Director - CRISIL Ratings



Nivedita Shibu  
Director - CRISIL Ratings



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RL/CAHEALT/360135/NCD/1224/105681/78071  
December 30, 2024



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

Dear Mr. Yatin Desai,

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

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

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

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

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

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

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

With warm regards,

Yours sincerely,



Joanne Annie Gonsalves  
Associate Director - CRISIL Ratings



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RL/CAHEALT/360135/NCD/1224/105678/1081260  
December 30, 2024



**Mr. Yatin Desai**  
Senior General Manager - Corporate Finance  
**Zydus Lifesciences Limited**  
Zydus Corporate Park,  
Scheme No. 63, Khoraj (Gandhinagar),  
536, S.G. Hwy, Near Vaishnodevi Circle,  
Ahmedabad - 38248

Dear Mr. Yatin Desai,

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

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

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

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

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

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

With warm regards,

Yours sincerely,



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## Rating Rationale

December 27, 2024 | Mumbai

### Zydus Lifesciences Limited

Ratings Reaffirmed

#### Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.4724 Crore</b>
<b>Long Term Rating</b>	<b>CRISIL AAA/Stable (Reaffirmed)</b>
<b>Short Term Rating</b>	<b>CRISIL A1+ (Reaffirmed)</b>

<b>Rs.75 Crore Non Convertible Debentures</b>	<b>CRISIL AAA/Stable (Reaffirmed)</b>
<b>Rs.50 Crore Non Convertible Debentures</b>	<b>CRISIL AAA/Stable (Reaffirmed)</b>
<b>Rs.200 Crore Commercial Paper</b>	<b>CRISIL A1+ (Reaffirmed)</b>

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

*1 crore = 10 million*

*Refer to Annexure for Details of Instruments & Bank Facilities*

#### Detailed Rationale

CRISIL Ratings has reaffirmed its 'CRISIL AAA/Stable' rating on the long-term bank facilities and non-convertible debentures of Zydus Lifesciences Ltd (Zydus Life; part of the Zydus group) and has reaffirmed its 'CRISIL A1+' rating on the short-term bank facilities and commercial paper programme.

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

Consolidated revenue grew 13% on-year in fiscal 2024 and 20% in the first half of fiscal 2025, led by high sales growth in the US on the back of sustained volume expansion in base business, execution success in new product launches and supported by a benign pricing environment. International markets business which comprises of different countries of emerging markets and Europe, witnessed high growth in sales even amid geopolitical challenges in few economies, while revenue from the domestic market grew steadily, benefitting from healthy volume growth, new launches, high-value therapies and increasing chronic share (41.8% as per IQVIA MAT on September 30, 2024; 400 basis points (bps) expansion over the last three years). Consolidated operating margin improved to 27.5% in fiscal 2024 and to 31.0% in the first half of fiscal 2025 on the back of better business mix and stable input costs. This is despite sustained focus on research and development (R&D).

CRISIL Ratings expects Zydus Life's business risk profile to continue to improve on the back of healthy revenue growth of 10-12% per annum led by new product launches across markets and ramp-up in sales of new chemical entities and biosimilars while sustaining strong operating margin at 26-28%, leading to higher cash accrual.

Zydus Life's gross debt was lower at Rs 150 crore as on September 30, 2024 (Rs 769 crore as on March 31, 2024), owing to strong cash accrual. Liquidity remained superior and the company reported net cash (cash and equivalent; net of debt) of Rs 2,591 crore as on September 30, 2024. The ratings also factor in the expectation of sustenance of Zydus Life's healthy financial risk profile, going forward, with low reliance on external borrowing, leading to net debt to Ebitda (earnings before interest, tax, depreciation and amortisation) ratio sustaining at 0.2-0.3 time over the medium term, after factoring in organic capital expenditure (capex) of Rs 900-1,000 crore and moderate inorganic growth plans.

#### Analytical Approach

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

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

#### Key Rating Drivers & Detailed Description

##### Strengths:

- **Established market position in the domestic market:** The Zydus group is one of the leading players in the domestic formulations market, and its domestic sales accounted for 25% of consolidated revenue in the first half of fiscal 2025. The group holds leading positions in progressive therapies of cardio-diabetology, respiratory, gynaecology, oncology, nephrology and hepatology, which collectively account for around half of the domestic formulations revenue. It has strengthened its

marketing team over the past few years, putting greater thrust on market strategies such as growth in the categories, integration of channel partners, supply chain and procurement to improve revenue and cost synergies. The group has a healthy pipeline of innovation portfolio, which will be the growth drivers over the medium term.

- **Growing presence in international markets:** Business prospects are supported by growing presence in the US generics markets, which accounted for 49% of consolidated revenue in the first half of fiscal 2025. The Zydus group was the fifth-largest pharmaceutical company in the US generics market as per IQVIA MAT September 2024. It had 412 approvals (including 26 tentative approvals) and filed 473 abbreviated new drug applications (ANDAs) as on September 30, 2024. Healthy pace of filings and approvals in the US, reflected in the strong ANDA pipeline, will strengthen the US business. The group also has established presence in the rest of the world markets such as Brazil, Mexico, Sri Lanka, South Africa, France and Spain, where it reported healthy revenue growth despite geopolitical challenges and adverse macro environment. The rest of the world segment accounted for 10% of the consolidated revenue in the first half of fiscal 2025.
- **Strong financial risk profile:** The financial risk profile is supported by healthy capital structure and debt protection metrics. Adjusted gearing remained strong at less than 0.1 time as on September 30, 2024, while interest coverage ratio was over 60 times in the first half of fiscal 2025 due to minimal debt. The company repaid its entire long-term debt and lowered its working capital utilisation using the proceeds from the sale of the domestic animal healthcare business in fiscal 2022 and healthy internal accrual. Gross debt was Rs 150 crore and healthy liquidity built-up resulted in net cash position of Rs 2,591 crore as on September 30, 2024. The financial risk profile is expected to remain strong, with net debt to Ebitda ratio sustained at low levels over the medium term, after factoring in moderate capex and inorganic growth plans. Any sizeable debt-funded acquisition or investments may adversely impact the debt metrics and liquidity and hence will remain a key monitorable.

#### **Weaknesses:**

- **Exposure to regulatory risks:** The Zydus group remains exposed to regulatory risks in both domestic and international markets, particularly the US. For instance, in October 2019, a warning was issued by the US Food and Drug Administration (US FDA) for the group's Moraiya plant, which impacted new product approvals. While the US FDA cleared this warning letter in November 2022 and the company has started getting new product approvals, another warning letter was received in the first half of fiscal 2025 for the injectables facility at Jarod, for which the company is undertaking corrective action. Any further regulatory issues related to the group's facilities in the future could impact revenue and profitability. The ongoing litigation by the anti-trust division of the US Department of Justice on industry generic players regarding price-collusion allegations is a monitorable. Furthermore, any price-control measures of the government in the branded domestic formulations segment may weaken growth.
- **Susceptibility to competition and stretched working capital cycle:** The group faces intense competition in regulated markets, where innovator companies engage in aggressive defence tactics and there are several cost-competitive Indian players. Generics players in regulated markets are affected by severe price erosion given the commoditised nature of products and government pressure to lower prices. The company's ability to keep launching new products mitigates this risk. Strong bargaining power of distributors in the US leads to large working capital requirement; gross current assets were at 201 days as on March 31, 2024. However, ample liquidity and high financial flexibility should be sufficient to meet working capital requirement.

#### **Liquidity: Superior**

Healthy cash and equivalent (including investments in mutual funds) of Rs 2,741 crore as on September 30, 2024, and strong annual cash generation support liquidity. Besides, the company has fund-based bank limit of about Rs 3,400 crore, which was moderately utilised at less than 10% for the 12 months through September 2024. Annual cash accrual of over Rs 4,000 crore will be more than sufficient to meet yearly capex of Rs 900-1,000 crore and to fund inorganic growth plans. The company does not have any term debt obligation, which supports liquidity.

#### **Environment, social and governance (ESG) profile**

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

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

#### **Key ESG highlights:**

- Zydus Life has undertaken focused efforts towards reducing its GHG emissions. Its GHG emissions came down by 3% in fiscal 2024.
- The company has been recycling and co-processing its hazardous waste. Waste intensity declined 7% in fiscal 2024 and recycling/co-processing of total waste stood at 61% of the total waste generated.
- It has a track record of customer grievance redressal and resolution of sexual harassment cases. However, the gender diversity remained marginally lower than industry peers, with women employees forming just 8% of the permanent workforce in fiscal 2024. The company is committed to increasing this to 12% by fiscal 2026.
- The governance structure is adequate, with over half of the board comprising independent directors. The company also has an investor grievance redressal mechanism, whistleblower policy and extensive disclosures.

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

#### **Outlook: Stable**

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

#### **Rating sensitivity factors**



**Downward factors:**

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

**About the Company**

Cadila Laboratories was set up in 1952 by Mr Raman Patel and Mr Indravadan Modi. Cadila Healthcare was incorporated in 1995 following the split of Cadila Laboratories, with Mr Modi and his family's share being moved to a new company. The division that was managed by Mr Raman Patel's son, Mr Pankaj Patel, was renamed Cadila Healthcare, which was renamed Zydus Life in February 2022. The company is currently under the leadership of Dr Sharvil Patel, a third-generation promoter. Zydus Life got listed on the Bombay Stock Exchange in 2000. Over the years, Zydus Life has grown to become one of the leading pharmaceutical companies in India. It also has a growing presence in the regulated markets, particularly the US, and is one of the top five players in the US generics market in terms of prescriptions. Other segments include emerging markets formulations, consumer wellness, animal healthcare and bulk drugs. The group has a network of manufacturing facilities which comprises of 18 formulation manufacturing units, 1 animal health unit, 6 bulk drug manufacturing units, 3 biologics units, 6 vaccine units and 4 consumer product facilities. Moreover, the company has eight R&D centres. As on September 30, 2024, 74.98% stake in Zydus Life was held by the promoters.

For the half year ended September 30, 2024, the company reported profit after tax (PAT) of Rs 2,402 crore on total income from operations of Rs 11,444 crore (Rs 1,939 crore and Rs 9,508 crore, respectively, in the corresponding period of the previous fiscal).

**Key Financial Indicators**

Particulars	Unit	2024	2023
Operating income	Rs crore	19,547	17,237
Adjusted PAT*	Rs crore	3,229	1,659
Adjusted PAT margin*	%	16.5	9.6
Adjusted debt / adjusted networth*	Times	0.04	0.07
Interest coverage	Times	70.7	39.0

\*Adjusted for goodwill and intangibles amortisation

**Any other information:** Not Applicable

**Note on complexity levels of the rated instrument:**

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

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

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**Annexure - Details of Instrument(s)**

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Commercial Paper	NA	NA	7-365 days	200.00	Simple	CRISIL A1+
NA	Non Convertible Debentures#	NA	NA	NA	75.00	Simple	CRISIL AAA/Stable
NA	Non Convertible Debentures#	NA	NA	NA	50.00	Simple	CRISIL AAA/Stable
NA	Bank Guarantee*	NA	NA	NA	250.00	NA	CRISIL A1+
NA	Cash Credit	NA	NA	NA	1500	NA	CRISIL AAA/Stable
NA	Cash Credit^	NA	NA	NA	2126.09	NA	CRISIL AAA/Stable
NA	Proposed Term Loan	NA	NA	NA	847.91	NA	CRISIL AAA/Stable

# Not placed

^Interchangeable with bank guarantee and letter of credit facility

\*Interchangeable with letter of credit facility

**Annexure – List of entities consolidated**

S. No	Name of entity	Extent of consolidation	Rationale of consolidation
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1	Zydus Healthcare Ltd	100.00%	Subsidiary
2	German Remedies Pharmaceuticals Pvt Ltd	100.00%	Subsidiary
3	Zydus Wellness Ltd	57.59%	Subsidiary
4	Zydus Wellness Products Ltd	57.59%	Subsidiary
5	Liva Nutritions Ltd	57.59%	Subsidiary
6	Liva Investment Ltd	57.59%	Subsidiary
7	Zydus Animal Health and Investments Ltd	100.00%	Subsidiary
8	Dialforhealth Greencross Ltd	100.00%	Subsidiary
9	Dialforhealth Unity Ltd	55.00%	Subsidiary
10	Violio Healthcare Ltd	100.00%	Subsidiary
11	Zydus Pharmaceuticals Ltd	100.00%	Subsidiary
12	Biochem Pharmaceutical Pvt Ltd	100.00%	Subsidiary
13	Zydus Strategic Investments Ltd	100.00%	Subsidiary
14	Zydus VTEC Ltd	100.00%	Subsidiary
15	Zydus Lanka (Pvt) Ltd	100.00%	Subsidiary
16	Zydus International Pvt Ltd	100.00%	Subsidiary
17	Zydus Netherlands BV	100.00%	Subsidiary
18	Zydus France, SAS	100.00%	Subsidiary
19	Laboratorios Combix SL	100.00%	Subsidiary
20	Etna Biotech S R L	100.00%	Subsidiary
21	Zydus Healthcare (USA) LLC	100.00%	Subsidiary
22	Zydus Pharmaceuticals (USA) Inc	100.00%	Subsidiary
23	Nesher Pharmaceuticals (USA) LLC	100.00%	Subsidiary
24	ZyVet Animal Health Inc	100.00%	Subsidiary
25	Sentyrl Therapeutics, Inc	100.00%	Subsidiary
26	Zydus Noveltech Inc, USA (till December 15, 2023)	100.00%	Subsidiary
27	Hercon Pharmaceuticals, LLC (till May 24, 2024)	100.00%	Subsidiary
28	Viona Pharmaceuticals Inc	100.00%	Subsidiary
29	Zydus Therapeutics Inc	100.00%	Subsidiary
30	Zydus Pharmaceuticals UK Ltd	100.00%	Subsidiary
31	Zynext Ventures Pte Ltd	100.00%	Subsidiary
32	Zynext Ventures USA LLC	100.00%	Subsidiary
33	Zydus Worldwide DMCC	100.00%	Subsidiary
34	Zydus Wellness [BD] Pvt Ltd	57.59%	Subsidiary
35	Zydus Wellness International DMCC	57.59%	Subsidiary
36	Zydus Nikkho Farmaceutica Ltda	100.00%	Subsidiary
37	Zydus Healthcare SA (Pty) Ltd	100.00%	Subsidiary
38	Alidac Healthcare SA (Pty) Ltd (erstwhile Simayla Pharmaceuticals (Pty) Ltd)	100.00%	Subsidiary
39	Script Management Services (Pty) Ltd	100.00%	Subsidiary
40	Zydus Healthcare Philippines Inc	100.00%	Subsidiary
41	Alidac Healthcare (Myanmar) Ltd	100.00%	Subsidiary
42	Zydus Pharmaceuticals Mexico SA De CV	100.00%	Subsidiary
43	Zydus Pharmaceuticals Mexico Service Company SA De CV	100.00%	Subsidiary
44	Zydus Medtech Pvt Ltd (wef May 31, 2024)	100.00%	Subsidiary
45	LiqMeds Worldwide Ltd	100.00%	Subsidiary
46	LiqMeds Ltd	100.00%	Subsidiary
47	Medsolutions (Europe) Ltd	100.00%	Subsidiary
48	LiqMeds Lifecare Ltd	100.00%	Subsidiary
49	LM Manufacturing Ltd	100.00%	Subsidiary
50	LM Manufacturing India Pvt Ltd	100.00%	Subsidiary
51	Zydus Lifesciences Global FZE	100.00%	Subsidiary
52	Zydus Pharmaceuticals (Canada) Inc	100.00%	Subsidiary
53	M/s. Recon Pharmaceuticals and Investments	100.00%	Partnership
54	Zydus Takeda Healthcare Pvt Ltd	50.00%	JV (moderately consolidated)
55	Zydus Hospira Oncology Pvt Ltd	50.00%	JV (moderately consolidated)
56	Bayer Zydus Pharma Pvt Ltd (till May 6, 2024)	24.999998%	JV (moderately consolidated)
57	Oncosol Ltd	50.00%	JV (moderately consolidated)
58	Sterling Biotech Ltd (w.e.f. August 29, 2024)	50.00%	JV (moderately consolidated)

## Annexure - Rating History for last 3 Years

Instrument	Type	Current		2024 (History)		2023		2022		2021		Start of 2021
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	4474.0	CRISIL AAA/Stable	02-01-24	CRISIL AAA/Stable	09-01-23	CRISIL AA+/Positive	20-01-22	CRISIL AA+/Positive	30-11-21	CRISIL AA+/Positive	CRISIL AA+/Stable
			-		-		-		-	20-05-21	CRISIL AA+/Stable	-

<b>Non-Fund Based Facilities</b>	ST	250.0	CRISIL A1+	02-01-24	CRISIL A1+	09-01-23	CRISIL A1+	20-01-22	CRISIL A1+	30-11-21	CRISIL A1+	CRISIL A1+
			--		--		--		--	20-05-21	CRISIL A1+	--
<b>Commercial Paper</b>	ST	200.0	CRISIL A1+	02-01-24	CRISIL A1+	09-01-23	CRISIL A1+	20-01-22	CRISIL A1+	30-11-21	CRISIL A1+	CRISIL A1+
			--		--		--		--	20-05-21	CRISIL A1+	--
<b>Non Convertible Debentures</b>	LT	125.0	CRISIL AAA/Stable	02-01-24	CRISIL AAA/Stable	09-01-23	CRISIL AA+/Positive	20-01-22	CRISIL AA+/Positive	30-11-21	CRISIL AA+/Positive	CRISIL AA+/Stable
			--		--		--		--	20-05-21	CRISIL AA+/Stable	--

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
<b>Bank Guarantee<sup>&amp;</sup></b>	<b>50</b>	<b>DBS Bank Limited</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee<sup>&amp;</sup></b>	<b>50</b>	<b>HDFC Bank Limited</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee<sup>&amp;</sup></b>	<b>50</b>	<b>Bank of Baroda</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee<sup>&amp;</sup></b>	<b>50</b>	<b>ICICI Bank Limited</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee<sup>&amp;</sup></b>	<b>50</b>	<b>MUFG Bank Limited</b>	<b>CRISIL A1+</b>
<b>Cash Credit<sup>@</sup></b>	<b>125.73</b>	<b>JP Morgan Chase Bank N.A. India</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit<sup>@</sup></b>	<b>8.38</b>	<b>BNP Paribas Bank</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit<sup>@</sup></b>	<b>8.38</b>	<b>Citibank N. A.</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit<sup>@</sup></b>	<b>50</b>	<b>IDBI Bank Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit<sup>@</sup></b>	<b>1559.05</b>	<b>Bank of America N.A.</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit<sup>@</sup></b>	<b>167.64</b>	<b>Mizuho Bank Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>50</b>	<b>Bank of Baroda</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>550</b>	<b>HDFC Bank Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit<sup>@</sup></b>	<b>100</b>	<b>YES Bank Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit<sup>@</sup></b>	<b>65</b>	<b>Standard Chartered Bank</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>250</b>	<b>DBS Bank Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit<sup>@</sup></b>	<b>41.91</b>	<b>The Hongkong and Shanghai Banking Corporation Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>250</b>	<b>ICICI Bank Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>400</b>	<b>MUFG Bank Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Proposed Term Loan</b>	<b>847.91</b>	<b>Not Applicable</b>	<b>CRISIL AAA/Stable</b>

& - Interchangeable with letter of credit facility

@ - Interchangeable with bank guarantee and letter of credit facility

#### Criteria Details

<b>Links to related criteria</b>
<a href="#">CRISILs Approach to Financial Ratios</a>
<a href="#">Rating criteria for manufacturing and service sector companies</a>
<a href="#">CRISILs Bank Loan Ratings - process, scale and default recognition</a>
<a href="#">Rating Criteria for the Pharmaceutical Industry</a>
<a href="#">CRISILs Criteria for rating short term debt</a>
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