Zeal & Innovation in Medicine

Ref No.: ZLL/CS/BSE/NSE Date: 05.06.2026

BSE Limited, Corporate Relationship Department P. J. Towers, Dalal Street, Mumbai- 400 001 Company Code- 541400	National Stock Exchange of India Limited Listing Compliance Department Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 (Symbol - ZIMLAB)

Dear Sir/Madam,

Sub: <u>Notice of the 42nd Annual General Meeting along with copy of Annual Report for F.Y. 2025-26.</u>

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following documents which has been sent through electronic mode to the Members, who have registered their email addresses with the Company/ Depositories:

1. Notice of the 42nd Annual General Meeting (including e-voting instructions).
2. Annual Report for F.Y. 2025-26

The 42nd Annual General Meeting of the members of ZIM Laboratories Limited will be held on Monday, 29th June, 2026 at 11:30 a.m. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Further, the Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday, 23rd June, 2026 to Monday, 29th June, 2026 (both days inclusive) for the purpose of Annual General Meeting.

Please take the above on your record.

Thanking you,

Yours faithfully,
For ZIM LABORATORIES LIMITED

Piyush
Siddheshwar
Nikhade

Digitally signed by Piyush Siddheshwar Nikhade
DN: c=IN, o=Personal, postalCode=440012, l=Nagpur, st=Maharashtra, street=325, Mahalaxmi Appt. Dhantoli, Nagpur, Maharashtra India 440012 West Centrel Road, title=3526, 2.5.4.20=42e9b6a98356f9095ec25716fc30d8cb8463fc1dc23adada5293c43849baaf78, serialNumber=3cced6ca26d23668ee558b723602e5236d527adc99269a3746951cdb919fca04, email=Cspiyushnikhade@gmail.com, cn=Piyush Siddheshwar Nikhade
Date: 2026.06.05 17:22:04 +05'30'

(Piyush Nikhade)
Company Secretary and Compliance Officer
Membership No. A38972

NOTICE OF THE 42nd ANNUAL GENERAL MEETING

Zeal & Innovation in Medicine

ZIM LABORATORIES LIMITED

Registered Office : Sadoday Gyan (Ground Floor), Opp. NADT,
Nelson Square, Nagpur – 440013, Maharashtra India.
CIN: L99999MH1984PLC032172, Website: www.zimlab.in, E-mail – cs@zimlab.in
Telephone No.: Registered Office: 0712-2981960, Works Office: 07118-271990

To
All the Members, Directors,
Auditors and Secretarial Auditor of
ZIM Laboratories Ltd.

NOTICE OF THE 42nd ANNUAL GENERAL MEETING TO BE HELD ON 29th June, 2026

NOTICE is hereby given that the Forty Second (42nd) Annual General Meeting of the Members of ZIM Laboratories Limited will be held on Monday, 29th June, 2026 at 11:30 a.m. (IST) through Video Conferencing (VC) /Other Audio-Visual Means (OAVM) in accordance with the applicable provisions of the Companies Act, 2013 read with relevant MCA Circulars to transact the following business:

ORDINARY BUSINESS:

1. **To Consider and Adopt Audited Financial Statements of the Company for the Financial Year ended 31st March, 2026 and the report of the Board of Directors and Auditors thereon:-**

   To consider and, if thought fit, to pass the following resolutions as **Ordinary Resolutions:**

   "RESOLVED THAT the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2026 along with the report of the Board of Directors and Auditors thereon as circulated to the members with the notice of Annual General Meeting be and are hereby considered and adopted.

   RESOLVED FURTHER THAT the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2026 along with the report of the Auditors thereon be and is hereby considered and adopted."

2. **To appoint a Director in place of Mr. Zulfiquar Kamal (DIN: 01786763), who retires by rotation and being eligible, offers himself for re-appointment:-**

   To consider and, if thought fit, to pass the following resolution as **an Ordinary Resolution**:

   "RESOLVED THAT in accordance with the provisions of section 152 and other applicable provisions of the Companies Act, 2013, Mr. Zulfiquar Kamal, Whole-Time Director (DIN: 01786763), who retires by rotation and being willing and eligible, and who has offered himself for re-appointment, be and is hereby re-appointed as Whole-time Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

3. **To ratify the remuneration payable to M/s Dhananjay V. Joshi & Associates, Cost Auditors, for the Financial Year 2026-27:-**

   To consider and if thought fit, to pass the following resolution as **an Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), the remuneration of ₹ 5,50,000/- (Rupees Five Lakhs Fifty Thousand only) plus applicable taxes and travelling and out of pocket expenses as per actuals as approved by the Board of Directors on the recommendations of the Audit Committee, payable to M/s Dhananjay V. Joshi & Associates, Cost Auditors (Registration No.000030) for conducting the Cost Audit of the Company for the Financial Year 2026-27 be and is hereby ratified."

4. **Approval for payment of remuneration to the Managing Director and Whole Time Director in case of absence or inadequacy of profits, as per Section II, Part II of Schedule V of the Companies Act, 2013:-**

   To consider and if thought fit, to pass the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Section II Part II Schedule V to the Act and the Rules made thereunder, including any statutory modification(s), amendment(s), re-enactment(s) or substitution(s) thereof for the time being in force, and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members be and is hereby accorded for payment of remuneration to Dr. Anwar Daud, Managing Director and Mr. Zulfiquar Kamal, Whole-time Director of the Company, in the event of absence or inadequacy of profits in any financial year as prescribed under Section II Part II of Schedule V of the Act, during a period of three (3) financial years commencing from Financial Year 2026–27.

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) and other applicable provisions, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), including any statutory modification(s), amendment(s), re-enactment(s) or substitution(s) thereof for the time being in force, consent of the Members be and is hereby accorded for payment of remuneration to Dr. Anwar Daud, Managing Director and Mr. Zulfiquar Kamal, Whole-time Director who are promoters, in excess of the limits prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations, till the expiry of the term of such director.

RESOLVED FURTHER THAT the Board of Directors of the Company and Nomination and Remuneration Committee be and are hereby authorised to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors
For ZIM LABORATORIES LIMITED

Place: Nagpur
Date: 29/05/2026

(**Piyush Nikhade**)
Company Secretary
M. No. A38972

Notes:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the Act) in respect of business set out under item no. 3 to 4 of the accompanying Notice is annexed herewith.

2. As required in terms of Secretarial Standard - 2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / re-appointment in the AGM have been provided in the "Annexure" to the Notice. The Director has furnished the requisite consent / declarations for his appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder and as per the SEBI (LODR) Regulations.

3. The Ministry of Corporate Affairs (MCA) has, vide its Circular nos. 14/2020, 17/2020, 20/2020, 02/2021, 02/2022, 10/2022, 09/2024, 03/2025 and the Securities and Exchange Board of India (SEBI) vide its Circular nos. SEBI/HO/CFD/ CMD1/CIR/ P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/ 2021/11, SEBI/HO/CFD/ CMD2/CIR/ P/ 2022/62, SEBI/HO/CFD/PoD-2/P/ CIR/2 023/4, SEBI/HO/CFD/CFD-PoD-2/P/ CIR/ 2 023/167 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 (hereinafter collectively referred to as "the Circulars") permitted the holding of the Annual General Meeting (AGM) through video conferencing (VC) / other audio visual means (OAVM). Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/ OAVM. The deemed venue for AGM shall be the registered office of the company, i.e. Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur Maharashtra – 440013.

4. Pursuant to the Circulars issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/ Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer at csroshnijethani@gmail.com with a copy marked to evoting@nsdl.co.in

6. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.

7. In line with the aforesaid Circulars, the Notice of AGM along with Annual Report 2025-26 is being sent only

through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2025-26 has been uploaded on the website of the Company at www.zimlab.in. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and NSE Limited at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com

8. The Register of members and share transfer books of the Company will remain closed from, Tuesday, 23rd June, 2026 to Monday, 29th June, 2026 (both days inclusive) for the purpose of Annual General Meeting.

9. Shareholders seeking any information with regard to the accounts are requested to write to the Company at least 05 days before the meeting so as to enable the management to keep the information ready.

10. To support the “Green Initiative”, all Members holding shares in physical form are requested to notify/register their email ID and bank account details with the Registrar & Transfer Agent (RTA) of the Company i.e. MUFG Intime India Private Limited (Formerly Link Intime India Private Limited). In addition, members holding shares in the demat form are requested to contact their respective Depository Participant and register their email ID and bank account for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as; name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

    1. For shares held in electronic form: to their Depository Participants (DPs)

    2. For shares held in physical form: to the Company/ Registrar and Transfer Agents (RTA) in KYC forms i.e. ISR-1 and ISR-2 and prescribed in the SEBI Circular No. SEBI/HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026 (Format of the said forms are available on the website of the Company).

12. Pursuant to the Communication of the Investor Education and Protection Fund Authority (IEPFA) and the Ministry of Corporate Affairs (MCA) dated March 27, 2026, the Company is participating in the Second 100-Day Campaign-'Saksham Niveshak', effective from April 1, 2026, to July 9, 2026. This initiative is aimed at assisting shareholders in updating mandatory KYC details (PAN, Nomination, Bank Mandates, and Contact Info) and claiming unpaid or unclaimed dividends to prevent their transfer to the IEPF. Shareholders are advised to submit necessary KYC Forms to the Registrar and Share Transfer Agent (RTA) or contact their Depository Participant (DP) for the same. Details of the campaign are available on the website of the company.

13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2024/37 dated May 7, 2024 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company’s website and on the website of the Company’s RTA, MUFG Intime India Private Limited at https://in.mpms.mufg.com. It may be noted that any service request can be processed only after the folio is KYC Compliant. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Registrars and Transfer Agents (RTA) of the Company i.e. MUFG Intime India Private Limited by raising their request on their website through their link https://web.in.mpms.mufg.com/EmailReg/Email_Register.html for assistance in this regard.

15. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If any Member desires to opt out or cancel the earlier

nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

16. SEBI vide Circular Nos. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

17. Pursuant to abovementioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at https://smartodr.in/login and the same can also be accessed through the Company's website https://www.zimlab.in/investor-reports-shareholders-form.

18. SEBI has mandated the furnishing of Permanent Account Number (PAN) linked with Aadhaar by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts and members holding shares in physical form to the Company/ RTA.

19. Members wishing to claim dividend that remain unclaimed are requested to correspond with Registrar & Transfer Agent as mentioned above or to the Company at its Registered Office. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline.

20. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

21. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice of the 42nd Annual General Meeting. The Registered Office of the company will be deemed to be the venue of the AGM.

22. The Members can join the AGM through the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the EGM/AGM will be provided by NSDL.

24. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.zimlab.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

25. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time

26. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-voting period begins on Friday, 26th June, 2026 at 9:00 a.m. and ends on Sunday 28th June, 2026 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. 22nd June, 2026 may cast their vote electronically. **The voting right**

of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd June, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. **Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**A. NSDL ID eAS Facility** **If you are already registered for NSDL IDeAS facility, follow the below steps :** 1. visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under **"Login"** which is available under **'IDeAS'** section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. 4. Click on **"Access to e-Voting"** appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against Company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. If you are not registered for IDeAS Facility, follow the below steps : a. option to register is available at https://eservices.nsdl.com b. Select "**Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c. Visit the e-Voting website of NSDL and follow steps given above in points 1-5. **B. e-voting website of NSDL** **1. Open web browser and type the following URL**: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will need to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. C. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** Download on the App Store GET IT ON Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository, i.e, NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B. Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon **"Login"** which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. **Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or physical	Your User ID is :
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

      (i) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   b) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digits client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

27. General Guidelines for shareholders

   a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csroshnijethani@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

   b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password

c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request at evoting@nsdl.co.in

d) Ms. Roshni Jethani, Company Secretary in practice has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

e) The results declared along with the Scrutinizer's Report shall be placed on the website of the Company i.e. https://www.zimlab.in/ and on the website of NSDL i.e. https://www.evoting.nsdl.com/ and the results shall also be communicated to the Stock Exchange where the shares of the Company are listed.

28. **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@zimlab.in.

b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@zimlab.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

c) Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

d) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

29. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

30. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders, who would like to express their views or ask questions during the AGM may register

themselves as a speaker or send their questions from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number and questions, if any at the company's email address at cs@zimlab.in on or before 22nd June 2026 by 05.00 p.m. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

6. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 022 - 2499 7000 or contact Ms. Pallavi Mhatre and Mr. Amit Vishal at 7506682281 and 9920264780 respectively, officials of NSDL.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business for the Annual General Meeting.

Resolution No. 3 – To ratify remuneration payable to M/s Dhananjay V. Joshi & Associates, Cost Auditors, for the F.Y. 2026-27:

The Board, based on the recommendation of the Audit Committee, approved the appointment of, M/s Dhananjay V. Joshi & Associates, Cost Accountants (Registration No. 000030) as the Cost Auditors for conducting the Cost Audit of the Company for the F.Y. 2026-27 at a remuneration of ₹,5,50,000/- (Rupees Five Lakhs Fifty Thousand only) plus applicable taxes and travelling and out of pocket expenses as per actuals.

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 including any statutory modification(s) or enactments thereof, for the time being in force, the fees payable to M/s Dhananjay V. Joshi & Associates, Cost Auditors, as stated above is required to be ratified by the Members of the company. Subsequently the same is being placed for the ratification by the members.

Accordingly, the Board of Directors recommends the Ordinary Resolution set out at item no. 3 of the Notice for ratification of fees payable to Cost Auditor for financial year 2026-27.

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested financially or otherwise, in the Ordinary Resolution set out in item No.3 of this notice, except to the extent of their respective shareholding, if any, in the Company.

Resolution No. 4 - Approval for payment of remuneration to Managing Director and Whole-time Director pursuant to Section II Part II of Schedule V of the Companies Act, 2013:

As per section 197 of the Companies Act, 2013, the remuneration to a Managing Director or a Whole-time Director shall not exceed 5% of the net profits of the Company in any year. Further, the total remuneration (overall remuneration) to the Managing Director and the Whole Time Directors of the Company shall not exceed 10% of the net profit of the Company in any year. In the event of absence or inadequacy of profit, the Company may pay remuneration to such Directors in excess of the limit of 5% or 10% as per the limit prescribed under Section II Part II of Schedule V of the Companies Act, 2013 subject to the approval of the members.

The company is in process of expanding its business in Regulated markets like EU etc. and is developing new products for the said market. The development along with registration of products in new markets takes around 3 to 5 years, however, company is investing in development of products and Infrastructure to upgrade the manufacturing facilities and building new facilities to cater to the requirements of Regulated Markets. The revenue generation from sale of products would commence post registration of products in Regulated Markets which would take around 2 to 3 years. Hence, in this period of transition, the manufacturing cost associated with regulatory requirements in new markets would increase while resulting high profitability business would take some time to stabilize.

In such a situation the net profits of the Company may be impacted and the remuneration payable to the Managing Director and the Whole-Time Directors may exceed the above-mentioned limits of 5% or 10% as the case may be. Accordingly, approval of the shareholders is being sought for payment of remuneration to the Managing Director and the Whole-Time Director in excess of the limits prescribed under section 197 of the Companies Act, 2013, for a period of three years commencing from F.Y. 2026-27.

In this regard, Section II Part II of Schedule V of the Companies Act, 2013 requires disclosure of certain information to be made in the explanatory statement of the Notice seeking approval of the shareholders for payment of remuneration by companies having no profits or inadequate profits. The said particulars are mentioned in Annexure I forming part of this Notice.

Further, pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group shall be subject to the approval of the shareholders by way of a special resolution in the event the annual remuneration payable to any one such executive director exceeds ₹ 5 Crore or 2.5% of the net profits of the Company, whichever is higher, or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the Company. Accordingly, the approval of the members is being sought for payment of remuneration to the executive directors who are promoters or members of the promoter group in excess of the limits mentioned in Regulation 17(6)(e) till the expiry of their tenure. Further the Nomination and Remuneration committee is authorized to approve the payment of remuneration to the Managing Director and Whole-time Director on an annual basis.

Except the Managing Director and the Whole Time Directors and their relatives, to the extent of their shareholding, if any, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise, in the Special Resolutions as set out at Item No. 4 of the accompanying Notice.

The Board of Directors of the Company recommend the Resolution set out at Item no. 4 for the approval of the Members as a **Special Resolution.**

By order of the Board of Directors
For ZIM LABORATORIES LIMITED

Place: Nagpur
Date: 29/05/2026

(Piyush Nikhade)
Company Secretary
M. No. A38972

DETAILS OF DIRECTOR RETIRING BY ROTATION

(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India

Sr. No.	Particulars	Name of director Mr. Zulfiquar Kamal
1.	Director Identification Number (DIN)	01786763
2.	Date of Birth	27.08.1960
3.	Age	65 years
4.	Direct/indirect relationship with the Company and/or other Directors, Manager and other Key Managerial Personnel of the Company	NIL
5.	Qualification	1. B. Com
		2. Chartered Accountant
6.	Brief Resume covering qualifications, experience, expertise in specific functional area including details of recognition or awards, if any	Annexure II
7.	Date of First Appointment	19th October, 2012
8.	Shareholding including shareholding as a beneficial owner in the Company	11,95,260
9.	Details of other directorships Membership/ chairmanship of committees of the boards of other Company	Other Directorships and membership:
		a) Octave Business Management Services Private Limited.
		b) Falcon Knowledge Services Private Limited
		c) ZIM Health Technologies Limited
		d) ZIM Thinorals Private Limited
		e) Qualimannz Marketing Management Co., Dubai
		f) ZIM Laboratories FZE, Sharjah
		g) SIA ZIM Laboratories Limited, Latvia
		h) ZIMTAS Pty Ltd., Australia
		i) ZIM Scientific Office L.L.C, Dubai
10.	Chairmanships/Memberships of the Committees of other public limited companies as on March 31, 2026	NIL
	a) Audit Committee	NIL
	b) Stakeholders' Grievance Committee	NIL
	c) Nomination and Remuneration Committee	NIL
	d) CSR Committee	NIL
	e) Other Committee(s)	NIL
11.	Name of listed entities from which the person has resigned in the past three years	NIL
12.	No. of Meetings of Board of Directors attended during the financial year 2025-26	Please refer to the "Corporate Governance Report" which is a part of the Annual Report
13.	Remuneration sought to be paid	Not applicable
14.	Remuneration last drawn (For the financial year 2025- 2026)	Please refer to the "Corporate Governance Report" which is a part of the Annual Report
15.	Terms and conditions of appointment/re-appointment/ remuneration	Not applicable

Note: * includes Chairmanship/ membership of the Audit Committee and Stakeholders Relationship Committee of only public limited companies, whether listed or not.

ANNEXURE - I

A. STATEMENT OF INFORMATION REQUIRED TO BE DISCLOSED UNDER SCHEDULE V (PART II) (SECTION II) OF THE COMPANIES ACT, 2013

I. General Information			Particulars
(1)	Nature of industry	:	The Company is engaged into development, manufacture, sale, marketing and export of various pharmaceutical products.
(2)	Date or expected date of commencement of commercial production.	:	The Company has been incorporated in 1984 and is engaged in pharmaceutical business since its incorporation
(3)	In case of new companies, expected date of Commencement of activities as per project approved by financial institutions appearing in the prospectus.	:	Not Applicable
(4)	Financial performance based on given indicators.	:	The financial performance of the Company in the last three financial year is as follows;

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25	FY 2023-24
Revenue	₹ 37,440.01	₹ 37,903.10	₹ 36,742.44
Profit before Tax	₹ 821.28	₹ 1,800.94	₹ 2,364.24
Profit after Tax / Loss	₹ 583.81	₹ 1,216.50	₹ 1,724.63

Note: Based on consolidated financials

(5)	Foreign Investments or Collaborations, if any.		As on March 31, 2026, the foreign shareholding in the Company is detailed as under:

Particulars	No. of Shares	%
Foreign Nationals	12,95,208	2.24
Non-Resident Indians (Repat)	6,13,096	1.13
Non-Resident Indians (Non Repat)	4,27,150	0.78
Total	**23,35,454**	**4.15**

II	Information about the appointee :	:	Dr. Anwar Siraj Daud, Managing Director
(1)	Background details	:	Dr. Anwar Siraj Daud, the visionary behind ZIM Laboratories Limited, holds an M. Pharm. and a Ph.D. in Pharmaceutical Chemistry and Pharmaceutics. He embarked on his professional journey in 1981, and since then, has played a pivotal role in shaping ZIM into an R&D driven Pharmaceutical enterprise known for its commitment to quality and innovation. Under his dynamic leadership, ZIM has grown into a trusted global supplier of high-quality medications, reaching over 50 countries. Driven by a passion for innovation, Dr. Daud has spearheaded the development of several novel drug delivery systems and differentiated Pharmaceutical products. He plays an instrumental role in defining the company's business strategy, driving R&D operations, and expanding international business footprints. A respected member of numerous professional bodies, Dr. Daud remains committed to advancing Pharmaceutical standards in India. His outstanding contributions to the industry and society have been widely recognised through multiple accolades and honours from esteemed organisations.
(2)	Past remuneration	:	The details of the remuneration paid in F.Y.2025-26 are as below :
			a. Fixed salary : 1,54,08,000
(3)	Recognition or awards		• Nominated as member of All Pharmaceutical Education constituted by the AICTE from 01.08.1997 to 31.07.1999 • Member, Board of Studies of Pharmaceutical Sciences, Nagpur University from 1991 to 1993. • Member, Ayurvedic Drug Standardization Committee constituted by Food & Drug Administration, Maharashtra State in 1997. • Under his management ZIM Laboratories Limited was awarded in 1993 as one of the best run industrial units in the area by District Industries Centre. • Nominated as Advisor in Advisory Board of Maharishi Markandeshwar University, Mullana • Elected as Vice President of Vidarbha Industries Association (VIA)

	(4)	Job profile and his suitability	:	He has been the Managing Director of the Company for more than three decades. He has been responsible for the overall growth of the Company into an R&D based pharmaceutical manufacturing company that supplies medicines to more than 50 countries worldwide. His keen interest in research and innovation has led the company to develop several innovative process technologies for manufacturing novel drug delivery systems and differentiated generic products. He has been actively involved in the international pharmaceutical markets, business strategy, business development and R&D functions in the Company.
	(5)	Remuneration proposed	:	Details of the proposed remuneration areas below :
				a. Fixed Salary : In the range of ₹ 130.00 Lakhs p.a. to ₹ 300.00 Lakhs p.a.
				b. Commission on Profit (Variable Pay) : Upto to 2.0% of the Net Profits of the Company p.a. including any other limit approved by the shareholders from time to time.
				Entitled to remuneration as approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time within the overall limits as approved by the shareholders as mentioned above
	(6)	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	:	The proposed remuneration being paid to the Managing Director is commensurate with the remuneration being paid by the Companies of comparable size in the industry in which the Company operates.
	(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any.	:	He holds 1,33,36,320 equity shares of the Company i.e 24.90 % of the total shareholding.
III		**Information about the appointee :**		**Mr. Zulfiquar M. Kamal, Whole Time Director**
	(1)	Background details		Mr. Zulfiquar Kamal, a seasoned Chartered Accountant, has been associated with ZIM Laboratories Limited for over 35 years and has served on the Board of Directors since 1991. With more than three decades of comprehensive financial expertise, he has been instrumental in instilling financial discipline and strengthening internal controls, thereby significantly contributing to ZIM's sustained growth. As Director Finance, Mr. Kamal leads the company's commercial operations and has been a driving force behind ZIM's transformation into a financially robust and operationally efficient organisation. His strategic insight and commitment to excellence have also played a pivotal role in integrating technological advancements across financial processes, enhancing ZIM's competitive edge.
	(2)	Recognition or awards		• Elected as a member of Committee for Members in Industry and Business for the year 2022-23 by Western India Regional Council – ICAI, Mumbai
				• Elected as one of the top ten CFOs from Asia – 2022 by CEO Insights Asia
				• Certificate of Excellence issued by Nagpur Chamber of Commerce Limited for outstanding performance in Industry Sector
	(3)	Past Remuneration		The details of the remuneration paid in F.Y.2025-26 are as below :
				a. Fixed salary : ₹ 91,88,000
				b. PLI (variable pay) : ₹ 10,00,000
	(4)	Job profile and his suitability.		He is presently the Whole-time Director of the company designated as Director (Finance). With his financial acumen, refined over an experience of more than three decades, he brings to the table the financial discipline and control necessary for a growing organization like ZIM Labs. In his current role as Director – Finance, Mr. Kamal oversees the commercial operations of the company. He envisions ZIM Labs to be a financially efficient organization known for its operational efficiencies and technological process.

	(5)	Remuneration proposed	Details of the proposed remuneration are as below : a. Fixed pay : In the range of ₹ 87.50 Lakhs p.a. to ₹ 250.00 Lakhs p.a. b. Commission on profit (variable pay) Upto 1.0% of the Net Profits of the Company p.a. including any other limit approved by the shareholders from time to time. Entitled to remuneration as approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time within the overall limits as approved by the shareholders as mentioned above
	(6)	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration being paid to the Whole-time Director is commensurate with the remuneration being paid by the Companies of comparable size in the industry in which the Company operates.
	(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any.	He holds 11,95,260 equity shares of the Company i.e 2.23% of the total shareholding.
III		**Other information**	
	(1)	Reason for loss or inadequate profits	The company is in process of expanding its business in Regulated markets like EU etc. The company is developing new products for the said market. The products developed have good potential and are expected to contribute to the growth of the company. The development along with registration of products in new markets take around 3 to 5 years, however, company is investing in development of products and Infrastructure to upgrade the manufacturing facilities and building new facilities to cater to the requirements of Regulated Markets. The revenue generation from sale of products would commence post registration of products in Regulated Markets which would take around 2 to 3 years. Hence, in this period of transition, the manufacturing cost associated with regulatory requirements in new markets would increase while resulting high profitability business would take some time to stabilize.
	(2)	Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms	The management is pursuing various strategic and operational measures that are expected to result in the improvement of profitability of the Company. The management believes all these strategic initiatives will result in better and improved profits for the Company.
IV.		Disclosures in the Board's Report	The required information/ details are disclosed under the Corporate Governance section of the Annual Report of the Company for the Financial Year 2025-26.

B. Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(1)	Financial and operating performance of the company during the three preceding financial years.	Details provided in Para A
(2)	Remuneration or commission drawn by individual concerned in any other capacity from the Company	Mr. Anwar Siraj Daud and Mr. Zulfiquar Murtaza Kamal draw remuneration from the Company in their capacity as Managing Director and Whole-time Director respectively. None of the Directors mentioned above draw any remuneration or commission from the Company in any other capacity apart from as mentioned above.
(3)	Remuneration or commission drawn by him from any other company.	Dr. Anwar Daud, Managing Director does not draw remuneration in any other company. Mr. Zulfiquar Kamal, Whole-time Director of the Company, is also the Director of ZIM Laboratories FZE, Sharjah being wholly owned subsidiary of the Company and is in receipt of remuneration from the said company. Further, the Directors also hold directorships in various other companies and may receive remuneration / commission from such companies in their capacity as Directors.
(4)	Professional qualifications and experience of the individual concerned	Details provided in Para A above
(5)	Relationship between remuneration and performance.	Considering the extensive expertise, experience, and leadership capabilities of the Directors in their respective fields, along with the significant responsibilities entrusted to them, the proposed remuneration is commensurate with the remuneration being paid to similar level counterpart(s) and is reasonable and aligned with the scope of their role.

(6)	Principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.	The Company has a performance management culture in place. Remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) are governed by the Company's Nomination and Remuneration Committee and Board in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and the Articles of Association of the Company. Independent Directors on the Board are paid remuneration by way of commission. The remuneration of the Independent Directors is decided by the Board on the recommendation of the Nomination and Remuneration Committee, based upon the qualifications, skill set and experience of the individual directors within the limits approved by the shareholders in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and the Articles of Association of the Company. Further, the employees of the Company are paid remuneration based upon their knowledge, qualifications, experience and their performance in the Company.
(7)	Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.	The Company has one policy for all its Directors and other employees as covered in the said policy. Additionally, the remuneration of the Directors is governed by the provisions of the companies Act and SEBI LODR
(8)	Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.	The following are the details of securities held by Directors of the Company as on March 31, 2026:

Name of Director	No. of Equity shares held	% of paidup share capital of the Company
Dr. Anwar Siraj Daud	1,33,36,320	24.90%
Mr. Zulfiquar Murtaza Kamal	11,95,260	2.23%

ANNEXURE-II

Brief profile of Directors seeking appointment / re-appointment

Mr. Zulfiquar Kamal, a seasoned Chartered Accountant, has been associated with ZIM Laboratories Limited for over 35 years and has served on the Board of Directors since 1991. With more than three decades of comprehensive financial expertise, he has been instrumental in instilling financial discipline and strengthening internal controls, thereby significantly contributing to ZIM's sustained growth.

As Director (Finance), Mr. Kamal leads the company's commercial operations and has been a driving force behind ZIM's transformation into a financially robust and operationally efficient organisation. His strategic insight and commitment to excellence have also played a pivotal role in integrating technological advancements across financial processes, enhancing ZIM's competitive edge.

ZIM Laboratories Limited

Zeal & Innovation in Medicine

Advancing Patient-Centric Drug Delivery Solutions With

Innovation

Differentiation

Resilience

Annual Report

2025-26

For more details, please visit:
www.zimlab.in

Inside Story

Advancing Patient-Centric Drug Delivery Solutions With

Innovation | Differentiation | Resilience

At ZIM Laboratories Limited, we firmly believe that the right care, prevention and knowledge-enabled patients to achieve better and more reliable health outcomes. This belief underpins our commitment to delivering innovative, differentiated and value-added oral solid dosages, using Novel Drug Delivery Techniques (NDDS) that prioritise patient convenience and treatment adherence.

Operating amid a challenging global Pharmaceutical environment and regulatory observations, we demonstrated resilience, progressing with clarity, operational efficiency and disciplined execution.

A key focus during the year was addressing EU-GMP remediation and completing the Corrective and Preventive Action (CAPA) process within committed timelines. Management implemented targeted measures, including committing adequate resources and onboarding of external expertise to strengthen quality systems and ensure regulatory compliance, ensuring timely CAPA submissions.

Backed by manufacturing excellence, proprietary technology platforms and R&D strengths, we continue to advance the accessibility and effectiveness of our patient-centric drug delivery solutions. Our differentiated portfolio, led by New Innovative Products (NIP) and Oral Thin Film (OTF) offerings and supported by licensing income, continued to contribute overall revenues during the fiscal year.

This dedicated focus, along with alternative certifications, site transfers, cost optimisation, measured R&D investments and prudent capital allocation, helped sustain momentum in our core business while advancing our innovation-led growth agenda in ROW and Pharmerging Markets.

Over the past year, ZIM has made meaningful strides in strengthening its human resources and leadership capabilities. The organisation onboarded a President – Business Development to drive growth initiatives and further reinforced its leadership bench with the hiring of Vice Presidents across Quality Assurance, Purchase, and Human Resources. In parallel, the company has focussed on deepening functional expertise by bringing in experienced professionals across key departments, including Regulatory Affairs, Quality Control, and Operations over the last six months. These strategic hires reflect ZIM's commitment to building a robust, future-ready organisation capable of supporting its expanding global ambitions.

About ZIM Labs

Committed to Building Healthier Lives

Established in 1989, ZIM Laboratories Limited (ZIM Labs or ZIM) is a globally recognised provider of innovative Drug Delivery Solutions based in India. As a research-driven, therapy-agnostic organisation, we specialise in the development, manufacturing, and supply of differentiated and complex generic products in oral solid dosage forms, utilising Novel Drug Delivery Techniques (NDDS) and proprietary, non-infringing manufacturing technologies.

Established in 1989, we have continuously invested in modern manufacturing, dynamic R&D competencies and latest technologies to fuel continuous innovation, operational excellence and better patient outcomes.

Over the years, we have developed a comprehensive portfolio across Pharmaceuticals and Nutraceuticals, offering Pre-Formulation Intermediates (PFI) and Finished Formulations (FF) across *key therapeutic segments in Regulated, Pharmerging, and RoW markets.

At ZIM, innovation, quality, and patient convenience are at the core of everything we do. We remain committed to pioneering advanced drug delivery solutions that not only improve patient outcomes but also drive long-term growth and value for all stakeholders.

*Key Developed and Pharmerging Markets: EU, Turkey, Canada, Australia, BRICS, LatAm, Saudi Arabia, and other markets with high GDP / Capita

Vision

To be the leader in innovative drug delivery solutions that transform patient experiences through improved convenience and better treatment adherence.

Core Values

Zeal

Passion to positively impact the lives of patients through compassion, excellence in product quality, affordability and marketability.

Partnership

Build strong and enduring partnerships that enable success based on value enhancement, mutual respect, trust and transparency.

Innovation

Challenge the status quo to enhance value-providing attributes of our products and processes.

Performance

Strive to deliver performance that enables our customers to differentiate in the marketplace. Continuously upgrade our skills and drive the change to do so.

Teamwork

Be a strong team player through respect, trust, care, kindness and transparency.

Integrity

Be fair, honest, transparent and ethical in our conduct.

Care for Environment

Judiciously use and protect resources, minimise waste and leave a better place for our future generations.

FY26 Business Performance

Pharmaceuticals

Pharmaceuticals division, our primary revenue driver, accounted for 80% of Total Operating Income at ₹ 2,990 Mn in FY26.

Nutraceuticals

Nutraceuticals division, including Vitamins, Healthcare and Dietary Supplements, contributed 20% of Total Operating Income at ₹ 754 Mn in FY26.

FY26 Financial Highlights

₹ 3,744 Mn
Total Operating Income

₹ 2,961 Mn
Net Worth

₹ 414 Mn
EBITDA

8.3%
of Total Operating Income spent on R&D

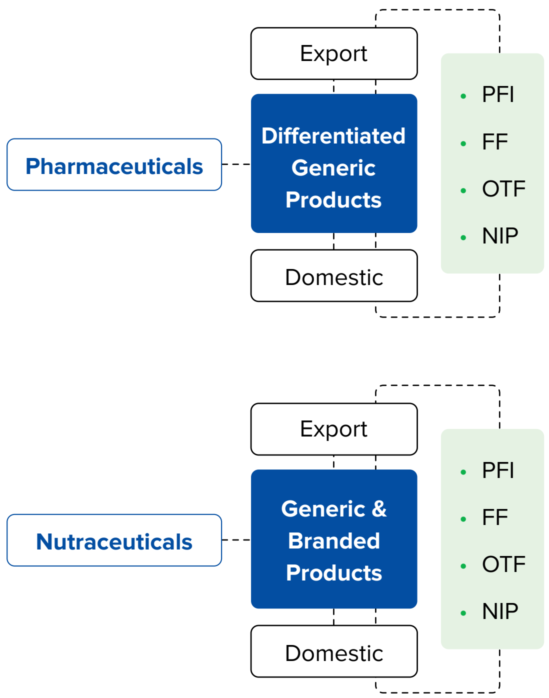
₹ 58 Mn
PAT

Business Review

Strengthening Patient Care through Innovation and Differentiation

Operating in a dynamic healthcare environment, we are continually evolving to meet rising expectations and seize emerging opportunities. Leveraging state-of-the-art manufacturing facilities, cutting-edge technology and a strong R&D foundation, we offer a robust portfolio of high-quality differentiated generics and innovative drug delivery technologies across diverse oral solid dosage forms to enhance accessibility and treatment adherence. This dedicated focus has strengthened customer trust and generated sustained value to our business partners while promoting sustainable growth.

Business Vertical



*PFI: Pre-Formulation Intermediates, FF - Finished Formulations, OTF - Oral Thin Films, NIP - New Innovative Products

End-to-End Product Development

1. **Product Conceptualisation**
Initial R&D and feasibility studies to assess product viability and market potential

2. **Product Development**
Holistic technical development, including formulation, bioequivalence (BE) studies, API sourcing and dossier preparation

3. **Dossier Development**
Developing and submitting regulatory dossiers backed by continuous technical support until securing Marketing Authorisation

4. **Marketing Authorisations (MA)**
Marketing approvals granted either to ZIM or its strategic partners for product commercialisation

5. **Manufacturing & Supplies**
Ramping production and seamless distribution to market

Global Subsidiaries & Reach

Expanding our global footprint through strategic subsidiaries in India, the UAE, Australia and the European Union.

ZIM Laboratories FZE, Sharjah, UAE (100% Subsidiary)

Responsible for business development and marketing in MENA* and Africa regions.

ZIM Scientific Office LLC (Step-Down Subsidiary)

Established to support registration and marketing activities and expand reach in the MENA region.

SIA ZIM Laboratories Limited, Latvia, EU (100% Subsidiary)

Incorporated to undertake product registrations and marketing for our innovative formulations in the European Union.

ZIMTAS Pty Ltd, Australia, Subsidiary

Set-up to manage product registrations, marketing and distribution initiatives in Australia and New Zealand.

ZIM Health Technologies Limited, India (100% Subsidiary)

Established to expand R&D capabilities, manufacturing and marketing of complex generic and advanced Pharmaceutical and Nutraceutical products across Developed and Pharmerging markets**

ZIM Thinorals Private Limited, India (100% Subsidiary)

Dedicated to the Oral Thin Films (OTF) business; operations are yet to commence.

* MENA: Middle East and North Africa
** Key Developed and Pharmerging Markets: EU, Turkey, Canada, Australia, BRICS, LatAm, Saudi Arabia, and other markets with high GDP / Capita

FY26 Key Highlights

Financial Highlights

- **Total Operating Income stood at ₹ 3,744 Mn**, impacted by the geopolitical situation in the Middle East leading to some loss of business.
- **EBITDA declined by 16.4% YoY to ₹ 414 Mn.** PAT margin declined by 160 bps to 1.6% in FY26, compared to 3.2% in FY25.
- **Export Revenue advanced 0.8% YoY** to **₹ 3,150 Mn** from **₹ 3,125 Mn** in FY25, sustained by consistent demand from RoW and Pharmerging markets owing to expansion of the team and hiring of a President of international Business.
- **NIP + OTF Sales Revenue aggregated ₹ 566 Mn,** representing 15% of Total Operating Revenue inclusive of licensing fees, reinforcing the strategic importance of our proprietary technology platforms.
- **Research & Development Expenditure constituted 8.3%** of Total Operating Income, reflecting our sustained commitment to building a differentiated and future-ready product pipeline.
- **Finance Costs increased** from **₹ 114 Mn** to **₹ 132 Mn** in FY26, reflecting an increase in total borrowings from **₹ 1,122 Mn** to **₹ 1,230 Mn,** deployed towards plant and equipment upgrades in support of infrastructure expansion.
- **Dossier Licensing Income from NIP+OTF declined to ₹ 87 Mn in FY26 from ₹ 98 Mn in FY25**, demonstrating the growing commercial value and market receptivity of our proprietary drug delivery technologies.
- **Gross Block Additions during FY26** totalled **₹ 409 Mn**, of which **₹ 108 Mn** was directed towards bioequivalence studies and regulatory submissions in support of our Developed Markets pipeline.

Business/Strategic Highlights

Expansion in International Markets:

- Scientific office in UAE has been operational now with multiple NIP and OTF filings done. These are in ZIM's brand names
- A strategic collaboration with a strong local partner in the UAE has contributed significantly to OTF revenues throughout the year
- ZIM received Marketing Authorisation for Tamsulosin Dutasteride and Rizatriptan Benzoate in Australia through our subsidiary ZIMTAS Pty. Ltd

Regulatory Filings and Marketing Authorisations:

- 14 NIP filings done in MOH of various RoW and Pharmerging countries
- 5 NIP approvals received (MAs received) from MOH in various RoW and Pharmerging markets
- 29 ODS filings done in MOH of various RoW and Pharmerging countries
- 25 ODS approvals received (MAs received) from MOH in various RoW and Pharmerging markets
- 14 FF generic filings done in MOH of various RoW and Pharmerging countries
- 4 FF approvals received (MAs received) from MOH in various RoW and Pharmerging markets

Strategic CapEx Projects & Market Growth:

- Completed CapEx projects for Nutraceutical Suite, significantly enhancing manufacturing capabilities
- Strengthened presence in Developed Markets through new marketing partnerships, supporting long-term growth
- The Board-approved preferential issue of shares to fund 3 major capex projects such as a dedicated enzyme suite, completion of dedicated Nutraceutical facility and funds required for EU GMP remediation

Strengthening Leadership and Organisational Capabilities

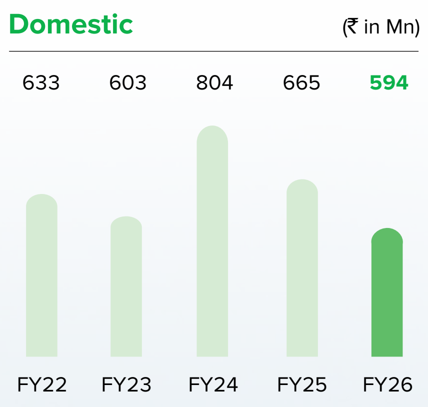
Senior Management strengthened in FY26

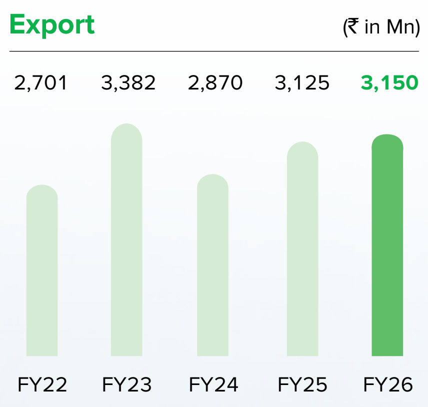
Mr. Vikrant Bendre President, International Business (SMP)*	Mr. Sridhar Reddy R VP, Quality Assurance (SMP)*	Mr. Jitendra Pandey VP, Human Resources (SMP)*	Mr. Srinivas Chowdary VP, Purchase
• 26+ years across global pharmaceutical markets • Previously led RoW Branded Generics business • Strong exposure across regulated and emerging markets	• 29+ years in pharmaceutical quality & regulatory compliance • Expertise across global regulatory inspections including US FDA & EU	• ~20 years of HR leadership experience • Leads Industrial Relations, Administration and EHS	• 29+ years in pharmaceutical procurement & supply chain • Expertise in global sourcing and regulatory-compliant procurement (US FDA & EU) • Strong track record in cost optimisation and vendor management

*Senior Management Personnel

In addition, experienced professionals have been added in the following departments over the last 6 months – Regulatory Affairs, Quality Control, Operations

Business-Wise Performance





Progress on CAPA Remediation

The company has completed and implemented most of its CAPA remediation plan

Q2 FY26
- June / July EU GMP Inspection
- Onboarding External Consultant for CAPA Plan
- Submission of comprehensive CAPA Remediation Plan
- Capital Expenditure Orders placed for key systems needed for meeting CAPA remediation
- Contract Manufacturing for alternate site with specific accreditations finalised for Star Product 1

Q3 FY26
- Submission of CAPA Progress for up to October 2026
- Appointment of European Consultant for advice on CAPA Remediation
- Strengthening Team in QMS
- Training of Team
- Additional CMO for specific markets being finalised
- Hiring of QA Head

Q4 FY26
- Submission of CAPA Progress
- Validation by Consultants
- Initiatives on triggering Audits from other regions
- Filing Batches from CMO Partners for Registration of Star Product 1
- Pre-Audit by External Consultants
- Independent assessment of CAPA progress and remediation by European + Indian consultant
- Effectiveness check on CAPA remediation progress

Q1 FY27
- Registration of Products in Alternate Markets
- Feedback on Alternate Audits
- Launch of Star Product 1 in Alternate Markets
- Extend alternate manufacturing strategy to other markets
- Re-Audit of facility by EMA inspectors

Our Journey

Progressing with Strategic Vision and Purpose

Since inception, ZIM has strived to redefine healthcare through science-led innovation and disciplined execution. Over the years, we have steadily built strong platforms and deep capabilities to develop advanced drug delivery solutions that improve therapeutic outcomes while ensuring affordable, convenient access to care for patients worldwide.

1989-2000

Reinforced market position as a preferred supplier of Pharmaceutical products to government entities through tenders, supported by our WHO-GMP certified manufacturing plants.

2001-2012

- Established Pellets, Granules and Taste Masking Technology Platforms to expand portfolio and develop differentiated generic and higher-margin products
- Extended international presence across Middle East and North Africa (MENA) regions
- Developed 'Proof-of-Concept' for Oral Thin Films and Nanotechnology to drive next-generation innovation

2013-2017

- Raised funding through private equity to fuel business growth.
- Prioritised focus on high-margin businesses by reducing exposure to deemed exports and low-margin government contracts
- Upgraded manufacturing facilities to align with EU-GMP standards, strengthened team strength and improved processes
- Set up a new WHO-GMP approved Oral Thin Films (OTF) facility, successfully commercialised OTF products
- Entered new markets, including Southeast Asia, Latin America (LatAm), CIS, and Africa, while consolidating market positions in Sri Lanka, South Asia and MENA
- Developed a robust pipeline of new products, enhanced dossier filings and secured product registrations under the ZIM brand
- Launched Thinoral® (Patented Oral Thin Film technology) as an alternate drug delivery platform for prescription and OTC products across RoW/Pharmerging Markets and EU markets

2018-Present

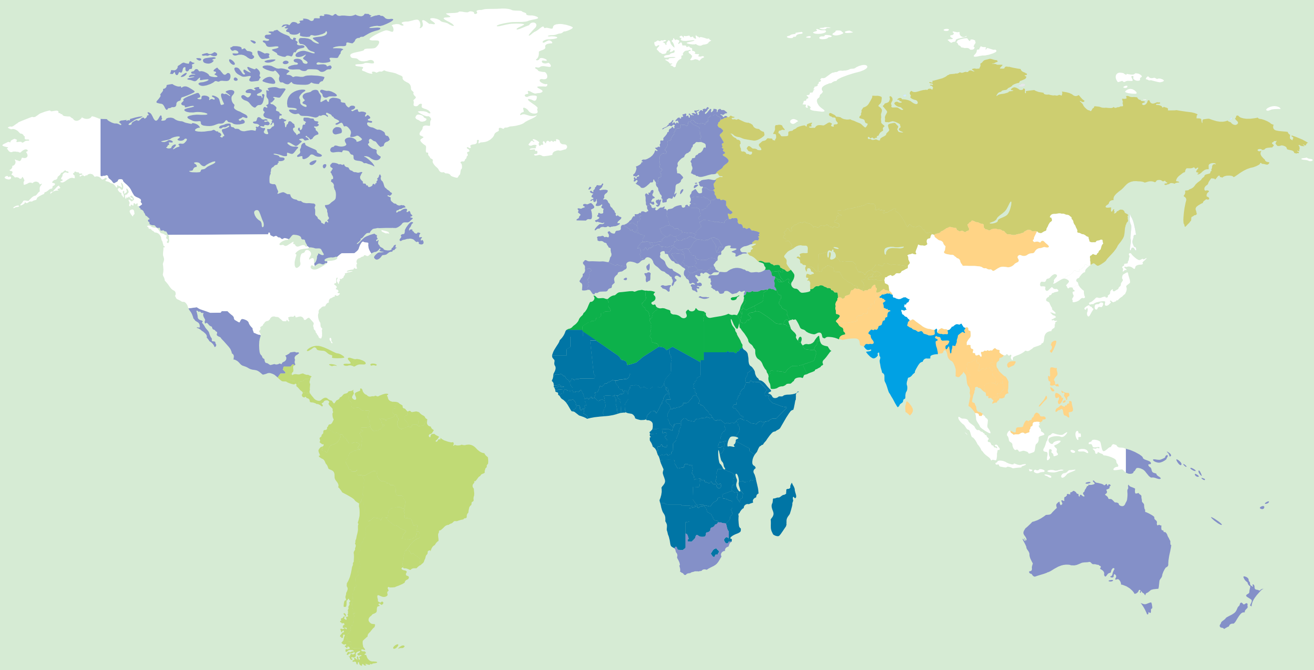
- Expanded the generic finished formulations business through product registrations, marketing partnerships and regular product launches across MENA, SE Asia, LatAm and CIS regions
- Strengthened R&D team competencies to build new combination generic Pharmaceuticals for Pharmerging and select Developed Markets
- Listed on BSE and NSE
- Introduced 10 New Innovative Products (NIPs) for Key Developed and Pharmerging Markets*
- Enhanced manufacturing capacity, including a dedicated NIP warehouse and a potential dedicated Greenfield Nutraceuticals plant
- Set up ZIMTAS PTY LTD – ZIM's subsidiary in Australia (2022) for product registration, marketing and distribution in Australia and New Zealand
- Secured EU re-accreditation (Portugal) and NSF re-accreditation for ODS Dietary Supplements
- Started a scientific office in the UAE (Nov 2024) to support registration and marketing of Pharmaceutical and Nutraceutical products and drive expansion across the MENA region
- Completion of two major CapEx projects - a Nutraceutical Suite in FY25 to support future growth initiatives
- Secured EU Marketing Authorisations for Azithromycin Oral Suspension and Dimethyl Fumarate (under the New Innovative Products (NIP) category)
- ZIM's co-development partner, Neuraxpharm, obtained an EU-wide Marketing Authorisation for Buprenorphine Sublingual Films
- The Company received approval from the Central Drugs Standard Control Organisation (CDSCO) to manufacture and market a Fixed Dose Combination (FDC) of Naproxen Delayed Release and Esomeprazole Capsules
- The Company completed a preferential allotment facilitating strategic capital infusion to support its growth and expansion objectives

*Key Developed and Pharmerging Markets: EU, Turkey, Canada, Australia, BRICS, LatAm, Saudi Arabia and other markets with high GDP / Capita.

Operating Footprint

Expanding Healthcare Reach Worldwide

Committed to delivering differentiated, affordable patient-centric solutions to a wider customer base, geographic diversification remains a core pillar of our global expansion strategy. This focussed approach has enabled us to continually expand our presence in emerging markets while consolidating our presence in stronghold regions.

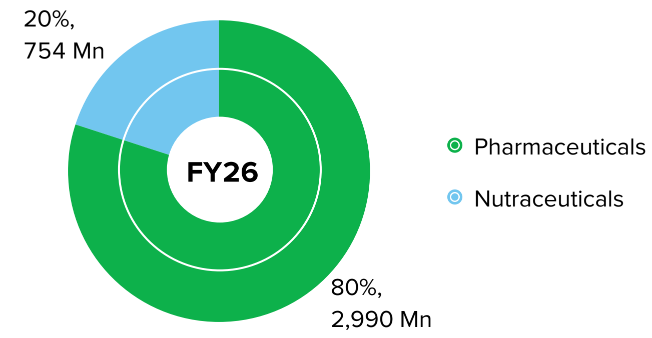


- India
- Africa
- Others (EU, UK, Australia, New Zealand, Canada, South Africa, Brazil, Mexico, Turkey)
- Middle East and North Africa (MENA)
- LatAm
- Asia (Excl. India)
- CIS

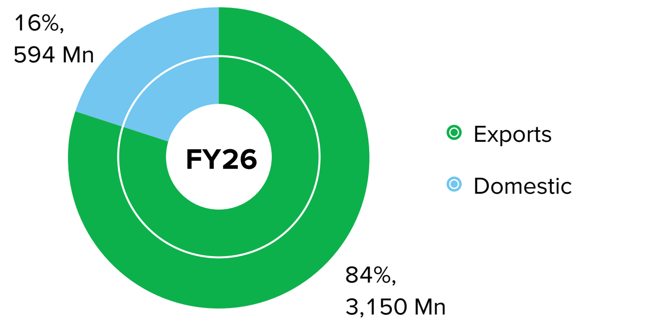
Map not to scale. For illustrative purposes only.

Revenue Mix

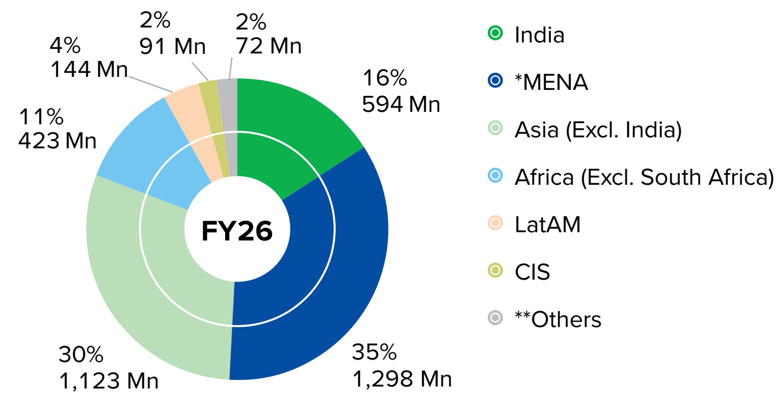
By Segment



By Geography



By Region



*MENA: Middle East and North Africa

**Others: EU, Canada, Oceania, UK and South Africa

₹ 594 Mn
India

₹ 1,298 Mn
*MENA

₹ 1,123 Mn
Asia (Excl. India)

₹ 423 Mn
Africa (Excl. South Africa)

₹ 144 Mn
LatAm

₹ 91 Mn
CIS

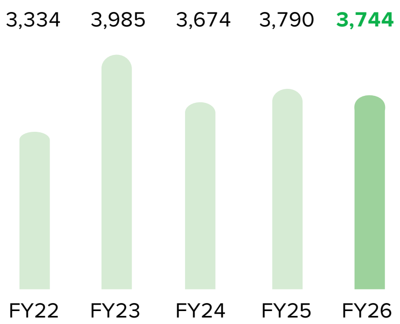
₹ 72 Mn
Others (EU, Canada, Oceania, UK and South Africa)

FY26 Scoreboard

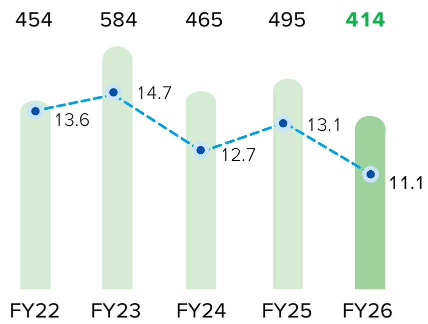
FY26 KEY PERFORMANCE INDICATORS

Profit & Loss Indicators

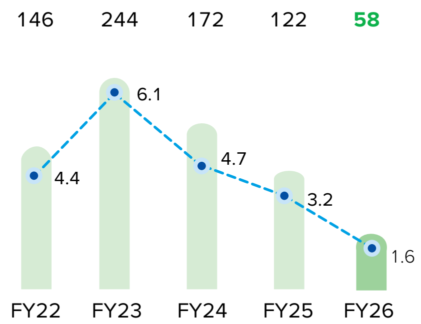
Total Operating Income
(₹ in Mn)



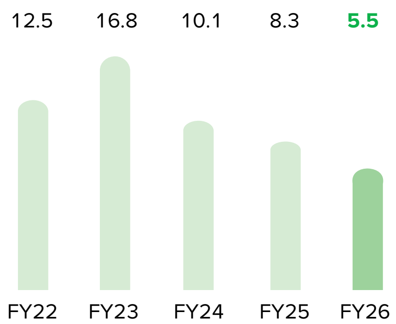
EBITDA (₹ in Mn)
EBITDA Margin (%)
↓ 16.4% YoY



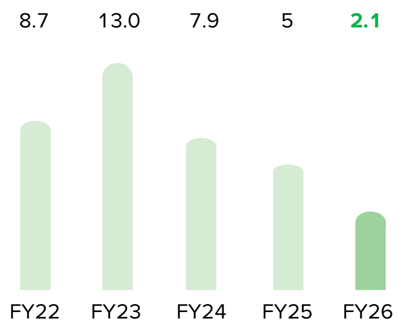
PAT (₹ in Mn)
PAT Margin (%)
↓ 52% YoY



ROCE
(%)

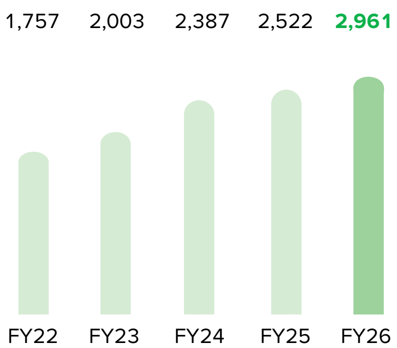


ROE
(%)

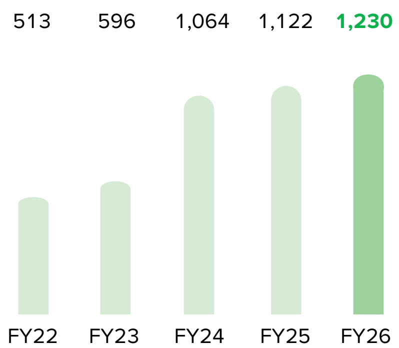


Balance Sheet Indicators

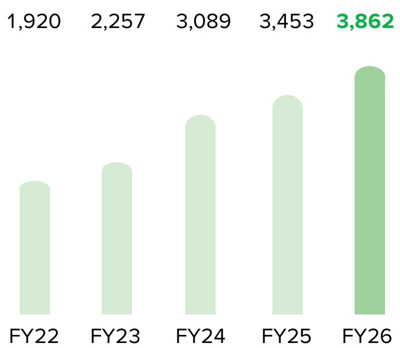
Net Worth
(₹ in Mn)



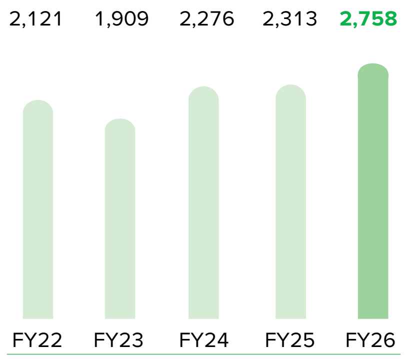
Total Borrowings
(₹ in Mn)



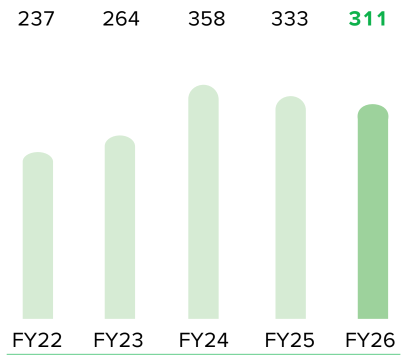
Gross Block
(₹ in Mn)



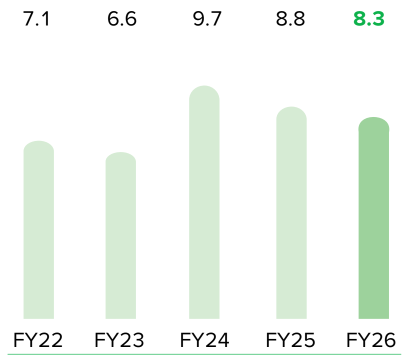
Current Assets
(₹ in Mn)



R&D Expenses
(₹ in Mn)

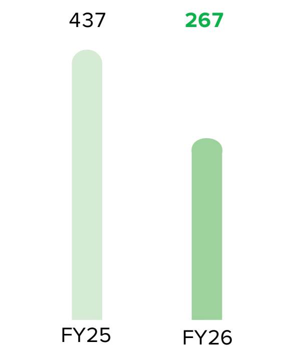


Total R&D Investment as % of Total Operating Income

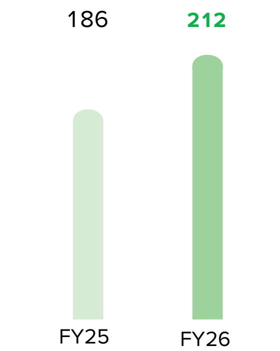


Innovative Products Performance

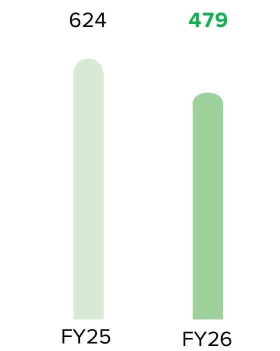
NIP Contribution
(₹ in Mn)



OTF Contribution
(₹ in Mn)



(NIP + OTF) Contribution
(₹ in Mn)



(NIP+OTF) Dossier Licensing Fees
(₹ in Mn)

Chairman and Managing Director's Message

Dear Shareholders,

It is with pride and purpose that I present the 42nd Annual Report of ZIM Laboratories Limited (ZIM) for the Fiscal Year 2026. This was a year that tested our resilience and one in which we responded with strategic clarity and disciplined execution. Our focus on innovation, quality, compliance, and execution remained unwavering, and we remain committed to delivering long-term value to all our stakeholders.

Business Overview

During FY26, our Operating Income held firm against the prior fiscal, notwithstanding two significant headwinds: the temporary pause in our EU-GMP accreditation, and geopolitical disruptions in the Middle East in Q4 and South Asia in Q1 and Q2. Our regional expansion and diversification strategy with dedicated business heads across five key markets led by a President, International Business proved its worth, enabling us to match prior-year performance and affirming the resilience of our multi-regional model.

Pharmaceuticals remained our primary revenue contributor; exports continued as the backbone of operations; and our domestic business delivered good margin contributions through institutional supply and growing NIP and OTF traction.

EU-GMP Remediation: Our Foremost Priority

In June 2025, an EU-GMP audit identified deficiencies in our manual control and documentation processes, leading to a pause in our accreditation. We moved swiftly, commissioning experienced Indian and European Quality Assurance and Control consultants to reassess our entire QA framework, and simultaneously strengthening our quality leadership with a new Head of QA and several experienced hires across key functions. Our CAPA responses, encompassing manpower reinforcement, investment in new plant and equipment, and a comprehensive overhaul of systems and processes were submitted in a timely and thorough manner, and have been formally accepted by the remediation committee and our auditors. At the time of writing, we have completed a re-audit by the EMA and are confident of a favourable outcome.

This experience has deepened our conviction that quality and compliance are not regulatory obligations, they are the foundational pillars of ZIM. We are committed to embedding these standards permanently into our culture as a cornerstone of long-term stakeholder value. EU-GMP remediation and CAPA implementation remain our top strategic priority.

Innovative Products: Building the Future

FY26 was a milestone year for our Innovative Products portfolio. Development of all 12 NIP products is complete, and we are in advanced Bio-Equivalence studies for select products, bringing us meaningfully closer to commercialisation in Developed and Pharmerging markets. NIP and OTF have gained strong traction in Emerging and RoW markets, and we are simultaneously preparing for EU market entry, a dual-track strategy that positions ZIM well for sustained, multi-region growth.

Business Development and Market Expansion

Dossier filing momentum remained strong, with 57 filings completed to Ministries of Health across RoW and Pharmerging markets and 34 approvals received during the year. Through our EU and Australian subsidiaries and UAE Scientific Office, we maintained localised presence to drive registration and launch. A landmark GCC contract was also signed to expand our Oral Thin Films business commercially.

Domestically, we deepened engagement for NIP and OTF products with Indian companies and expanded innovative product penetration into the institutional segment, building a high-quality, complementary book of business alongside our international operations.

Capital Infusion and Capacity Expansion

FY26 saw continued momentum in completing existing CapEx projects alongside critical new investments for CAPA implementation and future growth. During the year, we raised approximately ₹ 350 million through a preferential issue of equity shares per the SEBI process. These funds are being deployed toward CAPA remediation infrastructure, completing the dedicated NIP suite for EU business, and expansion of our Nutraceuticals suite. The capital is being invested with discipline, and we are confident this investment cycle will generate meaningful shareholder returns as the business scales.

Organisational Strengthening

FY26 was a defining year in professionalising ZIM. We made key senior appointments, President of International Business, and Vice Presidents of Quality Assurance, Human Resources, and Purchases along with experienced professionals across Regulatory Affairs, Operations, and Projects & Engineering. Our people strategy is centred on attracting knowledgeable, experienced individuals who can work collaboratively within a leadership structure built for speed and accountability as we enter our next phase of growth.

Cost Pressures in a Complex Environment

The opportunity loss from disruptions in our historically stable Middle East and South Asia markets, compounded by rising costs in manpower, materials, utilities, and logistics, resulted in significantly compressed EBITDA and PAT margins this year. We maintained our prudent approach declining orders without clear payment visibility and remain confident of restoring full business momentum in these regions once conditions stabilise. We believe revenue growth will materially improve profit margins through the benefits of operating leverage.

Looking Ahead to FY27

Our foremost FY27 objective is to regain EU-GMP accreditation, a critical milestone that will unlock European market entry and the full revenue potential of our NIP and OTF portfolio, marking an inflection point for ZIM. We also anticipate strong growth from RoW and Pharmerging markets through expanded registrations and execution of existing agreements.

Our pipeline of innovative products, a strengthened organisation, expanded capacity, and growing global presence give us considerable confidence in the trajectory ahead. We are committed to building a stronger, more resilient ZIM for the decade ahead.

Acknowledgements

On behalf of the Board, I thank our shareholders for their continued trust and patience. My deepest appreciation to every ZIMian for their commitment and belief in our mission, and to our customers, partners, regulatory agencies, and all stakeholders for their collaboration and confidence.

Together, we look forward to scaling new heights in our pursuit of innovation, quality, and enduring value creation.

Warm regards,

Anwar S. Daud,
Chairman and Managing Director

Chief Financial Officer's Message

Dear Shareholders,

FY26 was a year defined by resilience, disciplined execution, and strategic investment. Amid a challenging operating environment marked by the temporary pause in EU-GMP accreditation, geopolitical disruptions across key export markets, and inflationary cost pressures, ZIM Laboratories remained focused on strengthening its foundations for long-term growth.

Our priorities during the year were clear — safeguarding business continuity, executing EU-GMP remediation with urgency and rigour, strengthening organisational capabilities, and continuing investments in innovation, infrastructure, and global market expansion. While these priorities created short-term pressure on profitability, they have materially strengthened the Company's long-term strategic positioning.

Financial Performance

During FY26, Total Operating Income stood at ₹ 3,744 Mn, broadly in line with the previous fiscal year despite the business impact arising from EU-GMP related disruptions and softer demand conditions in parts of the Middle East and South Asia during the year.

Our diversified regional presence and export-led business model enabled us to maintain operational stability during this period. Export revenues contributed ₹ 3,150 Mn, representing 84% of Total Operating Income, reaffirming the strength of our international business franchise and multi-market strategy. Domestic revenues stood at ₹ 594 Mn, accounting for 16% of Total Operating Income, supported by institutional business, increased contribution from differentiated products, and growing traction for our NIP and OTF portfolio.

EBITDA for FY26 stood at ₹ 414 Mn, reflecting the combined impact of higher manpower costs, investments towards CAPA implementation, elevated logistics and utility costs, and opportunity losses in certain export markets. Profit After Tax (PAT) stood at ₹ 58 Mn for the year.

Despite margin pressures, we remained committed to prudent financial management and continued investing in the strategic building blocks necessary for the Company's next phase of growth.

Strengthening Our Innovation-Led Portfolio

Our differentiated portfolio continued to gain meaningful market acceptance across geographies.

Revenue contribution from New Innovative Products (NIP) stood at ₹ 267 Mn during the year, while Oral Thin Films (OTF) revenues grew by 14% year-on-year to ₹ 212 Mn. In addition, licensing and dossier fees contributed ₹ 87 Mn during FY26. Collectively, NIP, OTF, and licensing income contributed approximately 15% of Total Operating Income, reinforcing our strategic objective of increasing the contribution of high-value, differentiated businesses within our overall revenue mix.

While NIP revenues were impacted during the year due to market-specific disruptions and delays linked to regulatory timelines, the long-term opportunity remains robust. Development of all 12 NIP products has now been completed, with select products progressing through advanced Bio-Equivalence studies and multiple filings underway across RoW, Pharmerging, and regulated markets.

We believe these products, together with our OTF platform, position ZIM favourably to drive sustainable margin expansion and long-term value creation over the coming years.

EU-GMP Remediation and Strategic Investments

The EU-GMP remediation programme remained our highest operational and financial priority during FY26.

During the year, we undertook significant investments towards strengthening our quality systems, automation capabilities, infrastructure, and compliance framework. These investments included enhancement of documentation systems, process controls, manpower strengthening, equipment upgrades, and implementation of robust CAPA measures across functions.

Alongside remediation initiatives, we continued to invest in future growth platforms. During the year, we completed a preferential issue of equity shares amounting to approximately ₹ 350 Mn to Florintree Trinex LLP. The proceeds are being utilised towards:

- Completion of a dedicated NIP manufacturing suite for regulated market business
- Expansion of our Nutraceutical manufacturing capabilities
- Investments in automation, systems, and infrastructure linked to EU-GMP remediation and operational excellence

These investments are being executed with a disciplined and long-term approach, with the objective of creating scalable manufacturing capabilities aligned to future business opportunities.

Operational and Financial Discipline

Even amidst a challenging year, we remained focused on maintaining balance sheet discipline, prudent working capital management, and responsible capital allocation.

Our financial strategy continues to prioritise:

- Sustainable growth with controlled leverage
- Efficient deployment of capital
- Strengthening operating cash flows
- Investments in high-return innovation platforms and regulated market capabilities

As revenue momentum improves and operating leverage strengthens, we believe the investments undertaken during FY26 will create a stronger earnings foundation for the future.

Looking Ahead

As we enter FY27, our foremost objective remains the successful restoration of EU-GMP accreditation, a milestone that we believe will significantly accelerate the commercialisation potential of our NIP and OTF portfolio across regulated markets.

With a strengthened organisation, expanded infrastructure, growing global presence, and a differentiated product pipeline, we are confident in the Company's long-term growth trajectory.

The foundations built over the past year position us to emerge stronger, more resilient, and better prepared to capture the next phase of opportunities in global pharmaceuticals and differentiated drug delivery systems.

On behalf of the finance team, I extend my sincere gratitude to our shareholders, banking partners, customers, employees, and all stakeholders for their continued trust and support.

We remain committed to building sustainable value with discipline, integrity, and a long-term perspective.

Warm regards,

Shyam Mohan Patro
Chief Financial Officer

Value Creation Model

Integrated Approach to Unlocking Endless Possibilities

Powered by deep R&D expertise and core competencies, we create consistent value through innovation, operational excellence and superior, affordable products. This integrated model helps us improve patient outcomes globally, drive mutual progress and sustain our market leadership in advancing patient-centric care.

INPUT

Financial Capital

- Paid-up Equity share capital - ₹ **535 Mn**
- Borrowings - ₹ **1,230 Mn**
- Debt to Equity Ratio - **42%**
- Net Worth - ₹ **2,961 Mn**
- ROCE - **5.5%**
- ROE - **2.1%**

Manufacturing Capital

- **3** Modern Manufacturing facilities in Nagpur
- Solid Oral Dosage Facility (General) - **1,00,000 Sq. Ft.**
- Oral Thin Film Facility (OTF) - **6,300 Sq. Ft.**
- Solid Oral Dosage Facility (Cephalosporin) - **16,000 Sq. Ft.**
- ₹ **409 Mn** CAPEX spend in FY26
- Gross Block addition including Capex and Biol-equivalence studies etc

Intellectual Capital

- **4** non-infringing Proprietary Technology Platforms
- Regulatory Filings completed overall:
  - **14** NIP Filings
  - **29** OTF Filings
  - **14** FF Filings
- Regulatory Filings completed in EU:
  - **8** NIP Filings
  - **3** OTF Filings
- R&D team - **101**
- R&D Spend (including BE Studies) in FY26 - ₹ **311 Mn** (8.3% of Total Operating Income)

Human Capital

- Total Employees as on 31st March, 2026 - **632**
- Average experience of Management Team **+20.7 years**

Social and Relationship Capital

- CSR Spend in FY26 - ₹ **53.49 Lakhs**
- CSR Focus Areas : Healthcare & Sanitation, Education Development, Women Empowerment, and Environment Conservation

HOW WE CREATE VALUE

Key Activities

- Market Expansion and Growth
- Focus on Long-Term Collaborations
- Efficient Distribution
- Modern Manufacturing
- Robust Research & Development
- Patient Focus Innovation

Offering Treatment across Diverse Therapeutic Areas

Dosage Forms

- Tablets
- Dry Syrups
- Pellets
- Oral Thin Films (OTF)
- Directly Compressible (DC) Granules
- Taste Masked Powders
- Capsules

Therapy Segments

- Anti-Infective
- Cardiovascular
- Gastrointestinal
- Central Nervous System (CNS)
- Urology
- NSAID / Pain Analgesics
- Vitamins and Supplements

Holistic Product Development Cycle

Product Conceptualisation → Product Development → Dossier Development & Filing → Marketing Authorisations (MA) → Manufacturing & Supplies

Strengths That Define Us

- Dynamic R&D Competencies
- Scalable and Cost-Effective Manufacturing
- Infrastructure
- Leveraging Proprietary and Advanced Technology Platforms
- Wide Array of Diverse Dosage Forms for Global Applications
- Innovative and Versatile Drug Delivery Solutions
- Committed to Enhancing Patient Convenience and Treatment Adherence
- Prominent Collaborations and Global Partnerships
- Seasoned Leadership and Extensive Industry Experience

FY26 Strategic Priorities

- Addressing EU-GMP remediation and completion of Corrective and Preventive Action (CAPA) process on schedule
- Sustaining momentum in core business
- Advancing innovation-led growth strategy
- Maintaining overall operational efficiency
- Expanding domestic and export presence

OUTPUT

Financial Capital

- Total Operating Income - ₹ **3,744 Mn**
- EBITDA - ₹ **414 Mn**
- PAT - ₹ **58 Mn**
- Export Revenue - ₹ **3,150 Mn**
- Domestic Revenue - ₹ **594 Mn**
- EPS - ₹ **1.19 (₹/Share)**

Manufacturing Capital

- Distinct offerings - **4**
- Therapy Segments covered - **7**
- Dosage Forms offered - **7**
- Production Utilisation Rate - **65%**

Intellectual Capital

- Marketing Authorisations received overall: **34**
- New Innovative Products (NIP) - **5**
- Oral Thin Films (OTF) - **25**
- Finished Formulations (FF) - **4**
- NIP + OTF Licensing Revenue - ₹ **87 Mn**
- Revenue from NIP + OTF - ₹ **479 Mn**

Human Capital

- Accidents / Fatalities - **00**
- Women in Workforce - **16.2%**
- Diversity Hiring: **14% out of 632** new hires from different cities & states
- Equal pay ratio: **92.40%** pay ratio maintained between male and female employees

Strategic Priorities FY27

Sustainable Development Goals (SDGs)

Stakeholders Impacted

PHARMACEUTICALS

1. Expand the product portfolio with a focus on brand new portfolio of New Innovative Products (NIP) and Oral Thin Films (OTF) products, while upgrading dossiers to support market growth.
2. Accelerate product registrations and regulatory filings across targeted markets.
3. Strengthen presence in key developed and Pharmerging markets through Strategic and market-driven efforts.
4. Invest in plant, machinery, and technology upgrades to enhance manufacturing capabilities.
5. Sign agreements for NIP 2 and OTF 2 across Key Developed and Pharmerging Markets.
6. Expand partnerships and collaborations to increase market reach and penetration.
7. Increase revenue through licensing fees, co-development, and dossier out-licensing for NIP and OTF products.

NUTRACEUTICALS

1. Broaden the Nutraceuticals portfolio with innovative, science-backed formulations aligned with evolving health and wellness trends.
2. Develop Nutraceuticals products that complement the Pharmaceuticals portfolio to offer holistic treatment solutions.
3. Strengthen strategic partnerships with established Nutraceutical brands to expand market reach and accelerate growth.
4. Scale up supply of high-value, differentiated Nutraceuticals to institutional and government procurement channels.
5. Boost product availability through a robust omnichannel strategy, integrating E-commerce platforms and offline distribution networks.
6. Prioritise consumer-centric product development focussed on wellness, preventive healthcare, and lifestyle disease management.
7. Utilise advanced drug delivery systems such as Oral Thin Films (OTF) and Liquid-in-Pellet technology to enhance product effectiveness and improve patient convenience.

RESEARCH AND DEVELOPMENT

1. Develop cutting-edge formulations leveraging advanced drug delivery technologies to improve patient outcomes.
2. Prioritise first- and second-generation molecules to build a robust, future-ready product pipeline.
3. Strengthen R&D infrastructure through investments in world-class facilities, top-tier talent, and next-gen technology platforms.
4. Conduct Bioequivalence (BE) studies to support regulatory submissions and facilitate entry into new markets.
5. Accelerate dossier filings across Key Developed & Pharmerging markets to drive global expansion.
6. Upgrade existing dossiers for resubmissions in RoW markets and initiate new filings in regulated territories.
7. Capitalise on proprietary, non-infringing technology platforms to deliver differentiated, high-value products.
8. Drive product innovation across high-growth segments such as Oral Thin Films (OTF) and New Innovative Products (NIP).
9. Invest in development of new technology platforms to create value-added, differentiated generics.

CAPITAL EXPENDITURE

1. Complete key CapEx projects on schedule to enhance production-readiness.
2. Upgrade plant and machinery progressively to boost efficiency, reliability, and scalability.
3. Establish dedicated manufacturing facilities for Innovative Products to align with future expansion plans.
4. Expand production capacity to meet increasing domestic and international demand.
5. Strengthen infrastructure for Oral Thin Films (OTF) and other complex dosage forms to maintain competitive advantage.
6. Integrate sustainable and eco-friendly practices into manufacturing operations to minimise environmental impact.
7. Upgrade quality control systems to comply with evolving global regulatory standards.
8. Enhance operational processes through automation, digitisation, and technology-led improvements.

OPERATIONS AND QUALITY

1. Be ready for EU GMP Re Audit and successfully get reaccredited
2. Conduct strategic audits aligned with the action plan to ensure regulatory compliance, operational efficiency, and continuous improvement.
3. Upgrade facilities to increase capacity, boost productivity, improve safety, and adopt sustainable practices while minimising waste.
4. Implement automation to elevate workplace safety, reduce manual intervention, streamline operations, and mitigate operational risks.
5. Optimise manufacturing processes to drive consistency, reduce costs, and improve overall throughput.
6. Strengthen quality control frameworks to ensure compliance with global regulatory norms and uphold product excellence.
7. Invest in cutting-edge technologies to support innovation, enhance performance, and build future-ready operations.

MARKETING

1. Regional teams have been onboarded to improve market reach in our target geographies.
2. President International Business has been hired to head the team and further strengthen the business
3. Focus on registering products under ZIM's brands to enhance value along the supply chain.
4. Enter new markets in collaboration with local partners to strengthen marketing efforts.
5. Appoint distributors capable of marketing ZIM's brands effectively in targeted regions.
6. Plan to set up local marketing offices to facilitate registration and commercialisation in key markets.
7. Prioritise the registration of our Innovative Product basket across key Developed and Pharmerging Markets.

Performance

Pharmaceuticals

The Pharmaceutical business, our core revenue engine, continues to gain traction across domestic and export markets, supported by a dual strategy combining innovative offerings and portfolio scale.

Dual Strategy

Deepening penetration across Pharmerging and RoW markets by expanding the differentiated generics business presence and widening market access.

Strengthening our innovative offerings pipeline, including New Innovative Products (NIP) and Oral Thin Films (OTF) across Key Developed and Pharmerging markets.

₹ 2,990 Mn

Total Pharmaceuticals Revenue in FY26

80%

Of Total Operating Income in FY26

Portfolio Overview

Pre-Formulation Intermediates (PFI)

- Our Pre-Formulation Intermediates (PFI) portfolio comprises a diverse range of differentiated generic PFI, including pellets with varied release profiles, Directly Compressible (DC) granules and taste-masked powders customised for varied therapeutic applications.
- PFI strategy targets markets where laws/regulations restrict the direct import of Finished Formulations (FF).
- Focus on building long-term partnerships with global associates for seamless PFI exports and supply continuity.
- All PFI products are registered and marketed under our clients' brands, ensuring strong market visibility with full regulatory compliance.

Finished Formulations (FF)

- Our Finished Formulations (FF) portfolio includes assorted range of dosage forms, including tablets, capsules (with pellets offering varied release profiles), dry syrups, and Oral Thin Films - both Oro-dispersible and Oro-mucosal.
- FF segment partners with local distributors to market ZIM branded products while collaborating with regional companies to commercialise our offerings under their own Marketing Authorisations (MA), supported by ZIM's dynamic dossiers.
- These collaborations are structured through flexible licensing, manufacturing and supply arrangements to enable effective and scalable market reach.
- ZIM licenses its dossiers on a non-exclusive basis or registers them under its own MA in partner countries, based on strategic requirements.
- Continued focus on strengthening core FF Business by consolidating high performing differentiated products and enhancing operational efficiency to drive sustainable progress.

Performance

New Innovative Products (NIP)

Focussed on enhancing treatment adherence and patient outcomes, we remain committed to building a differentiated pipeline of complex, non-infringing New Innovative Products (NIP) by leveraging cutting-edge proprietary technology platforms. These next-generation complex molecules are designed to become First or Second Generics across diverse global markets, offering early market entry and a sustainable competitive edge in a highly dynamic pharmaceutical environment.

With exploratory product filing across markets and deepening partnerships in key geographies as our core priority, We have 14 NIP filings to date across RoW and Pharmerging markets. This strategic focus reflects our dedication to advancing our innovation-led portfolio reach while fuelling long-term growth visibility.

₹ 267 Mn

Total NIP Revenue in FY26

7%

Of Total Operating Income

NIP Development Blueprint

Product	Therapy	Global Market Size ($ Mn)	Global Market Size Ex - USA, Japan ($ Mn)	Remarks
Product 1	Urology	588	573	Filed in the EU and awaiting MA
Product 2	Gastrointestinal	4,500	729	Filed in the EU during Q2FY25 and awaiting MA
Dabigatran Etexilate	Anti Coagulant	1,000	867	MA received in FY27
Di - Methyl Fumarate	CNS	1,444	1,110	MA received in FY25
Product 5	Urology	3,350	686	Planned for filing in FY27
Product 6	Rheumatoid Arthritis	3,173	575	Planned for filing in FY27
Azithromycin Oral Suspension	Anti-infective	1,760	1610	MA received in FY25
Product 8	Analgesics / Pain	142	120	Filed in EU in Q4FY25 and awaiting MA
Product 9	Gastrointestinal	186	186	Planned for filing in FY27
Product 10	Gastrointestinal	687	260	Planned for filing in FY27
Product 11	Skin Disorders (Antipsoriatic)	65	40	Filed in the EU during Q2FY24 and awaiting MA
Product 12	Urology	109	109	Planned for filing in FY27

Performance

Oral Thin Films

The Oral Thin Films portfolio remained a strategic pillar of ZIM's innovation-led growth focus, contributing ₹ 212 Mn in revenues in FY26. An EU-GMP inspection in the first half of FY26, which identified two critical and a few major observations, led to a deferment of our product launch in Germany. In response, the CAPA for EU-EMP remediation has been submitted and accepted by the EU-GMP remediation committee and our auditors. Further, we will be utilising a portion of the recently Board-approved preferential issue proceeds for investment and automation, aligned with our CAPA remediation action plan. As we move ahead, successful clearance of the EU GMP audit remains our top priority in FY27, enabling commencement of sales in European markets and driving further growth across ROW and Pharmerging markets.

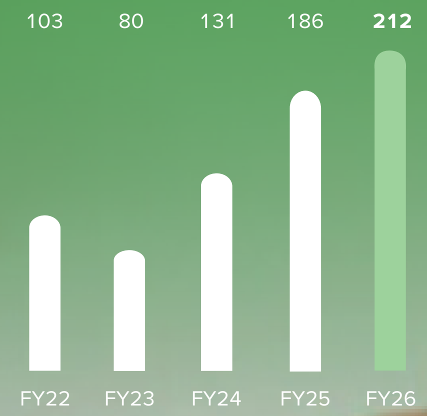
₹ 212 Mn

Total OTF Revenue in FY26

6%

Of Total Operating Income in FY26

OTF Revenue Contribution Year-Wise (₹ in Mn)



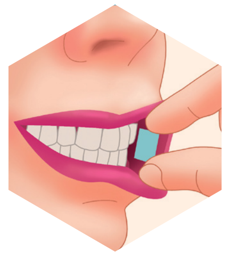
Oro dispersible films

Non-mucoadhesive films that rapidly disintegrate upon contact with saliva, enabling quick and convenient drug delivery, eliminating the need for water, resulting in improved patient compliance.

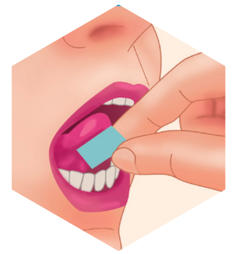
Thinoral® Technology

Oromucosal films

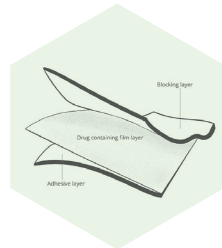
Mucoadhesive films designed for controlled drug release inside the oral cavity, enabling direct systemic absorption and better therapeutic effectiveness.



Mucostrip® Technology



Sublingual Technology



Bilayer Oral Thin Film Layer

Leveraging Innovative Drug Delivery Technologies

Our technology-led approach combines diverse and complementary innovations, enhancing drug content uniformity and enabling combination drug delivery on the Oral Thin Films (OTF) platform.

Spinoral®
integrates nanotechnology and Thinoral® Technology to improve bioavailability of poorly soluble drugs.

Printoral®
offers uniform drug content and higher yield of controlled and potent drug, suitable for combination delivery.

Non-invasive Sublingual Spray
offers quick and efficient drug absorption, removing the need for injections or incisions and enhancing patient convenience.

Performance

Nutraceuticals

The Nutraceutical division supplements our Pharmaceutical business, developing distinct and science-backed supplements to offer customised and holistic patient care and recovery. Over the years, rising demand and our focus on continued innovation in developing preventive and wellness healthcare solutions have ensured steady growth in the segment.

The segment offers differentiated dosage forms, including Pellets in Capsules Oral Thin Films (OTF)

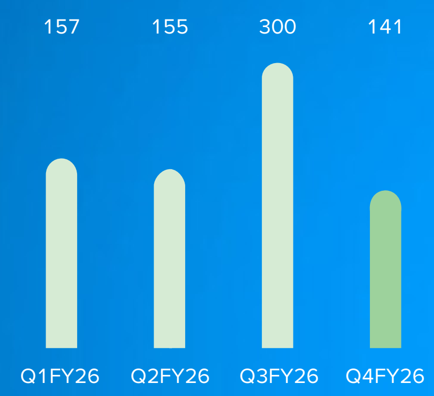
FY26 Dashboard

₹ 754 Mn
Total Nutraceuticals Revenue

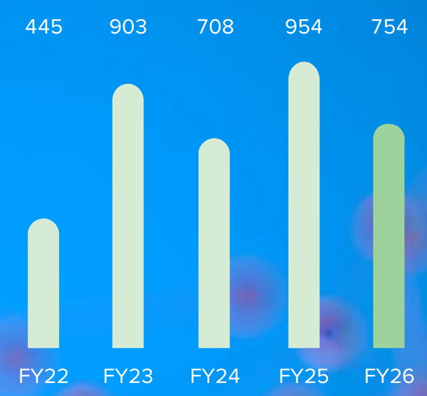
20%
Of Total Operating Income

Nutraceutical Division Performance

Quarter-wise Revenue Contribution (₹ in Mn)



Year-wise Nutraceutical Revenues (₹ in Mn)



Key Products

NUTRACEUTICALS
ZimUNat® Supplements
Innovative. Effective. Science Backed.

ZimUNat

ZIM's distinct and specialised Nutraceutical supplements

ZimUNat

ZimUNat, our proprietary Nutraceutical brand, provides research-driven, high-quality healthcare supplements, supporting overall health. The brand currently offers 25 unique and differentiated products. Our ongoing efforts at developing innovative products across specialised therapeutic areas has solidified our commitment to advancing holistic patient care.

Certifications

NSF GMP CERTIFIED NSF/ANSI 455-2 Dietary Supplements

FDA REGISTERED

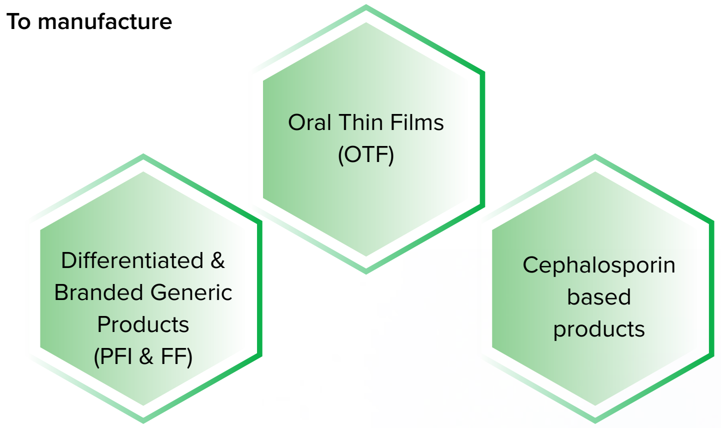
Tech-Led Modern Infrastructure

Leading with Manufacturing Excellence

Our modern, internationally accredited manufacturing units harness advanced technologies to deliver unique, differentiated and affordable healthcare solutions that meet the specific needs of a diverse patient population. This has helped improve patient outcomes, reinforce trust and maintain our competitive edge in the global Pharmaceutical sector.

Three state-of-the-art & advanced Manufacturing Facilities

To manufacture



General Facility

Oral Dosage (General)

Manufacturing Capabilities:
Tablets, Capsules, DC Granules, Pellets and Dry Syrup

Accreditations:
ISO-9001

Area:
1,00,000 sq. ft.

Established Operations:
1989

OTF Facility

Oral Thin Films (OTF)

Manufacturing Capabilities:
Oral Thin Films

Accreditations:
ISO 9001, NSF-ANSI 455-2

Area:
6,300 sq. ft.

Established Operations:
2014

Cephalosporin Facility

Solid Oral Dosage (Cephalosporin)

Manufacturing Capabilities:
Tablets, Capsules and DC Granules

Accreditations:
WHO-GMP, ISO 9001

Area:
16,000 sq. ft.

Established Operations:
2011

Robust R&D Capabilities

Research- Powered Innovation for Better Patient Outcomes

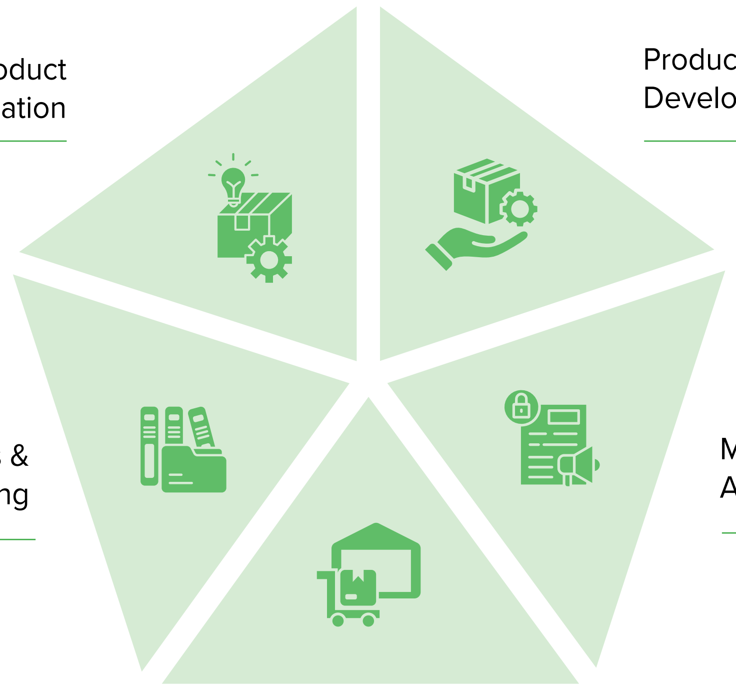
With dynamic R&D infrastructure and deep domain expertise, we reinforce our commitment to delivering innovative healthcare solutions with precision, scale and purpose. Our advanced, differentiated and non-infringing drug delivery solutions help meet the changing needs of patients worldwide while contributing to a healthier ecosystem.

₹ 311 Mn
Total R&D Spend in FY26

8.3 %
of Total Operating Income in FY26

Our independent R&D centre, equipped with cutting-edge infrastructure and advanced process technologies, is recognised by the Department of Scientific and Industrial Research (DSIR), Government of India. We focus on developing superior quality, innovative and differentiated Pharmaceuticals and Nutraceuticals, enhancing patient outcomes while driving sustainable progress.

Driving R&D Excellence: from Concept to Market



Backed by strong in-house Pharmaceuticals and Nutraceuticals expertise and with patient safety as a top priority, we continue to lead advancements in research and development while exploring growing market opportunities.

ZIM Health Technologies Limited (ZHTL)

ZIM Health Technologies Limited (ZHTL), our wholly-owned subsidiary, strategically caters to Key Developed and Pharmerging markets. It serves as an extended R&D unit, strengthening ZIM's capabilities across research and development, manufacturing and marketing of complex generics and advanced Pharmaceuticals.

ZHTL is headed by Dr. Chandrashekhar Mainde, an experienced Pharmaceutical R&D expert and supported by a multidisciplinary team, comprising professionals across Research & Development (R&D), Quality Assurance (QA), Quality Control (QC), Regulatory Affairs (RA) and production.

Dr. Mainde oversees the entire product lifecycle, right from conceptualisation and development to dossier readiness, manufacturing and regulatory registrations for the ZIM Group.

Mr. Gautam Saigal, director on the board of ZHTL, leverages his expertise in expert management, investment planning and market expansion to support ZIM's vision of global leadership in innovative healthcare solutions.

Aligned with our commitment to building a robust R&D centre, we continue to invest significantly in bioequivalence (BE) studies, product registrations, and the recruitment of skilled professionals. With state-of-the-art machinery and an expert team of Zim Labs, ZHTL reinforces ZIM's global expansion vision by developing an innovative product pipeline and advancing international regulatory filings.

Proprietary Technology Platforms

4 Dynamic Technology Platforms

Micro-Emulsion Coating Technology (MECT)
Improves solubilisation of oil-soluble drugs and liquid-based formulations by micro-emulsifying the oil phase in an aqueous polymer solution, before substrate coating.

Rapid Gelation Drug Release Technology (RGDRT)
Enables pseudo-zero-order drug release kinetics as a viable alternative to OROS® technology.

Pellet Cold Forming Technology (PCFT)
Suitable for heat-sensitive materials that may lose potency or undergo undesirable changes under high temperatures during processing.

Matrix Pore Forming Tablet Technology (MAPOTAB)
Facilitates controlled drug release via porous structures in an aqueous medium.

FY26 R&D Facts

₹ 108 Mn
R&D Spend
BE studies, regulatory filings and others

101
R&D Team
(PhDs – 2 & Postgraduates – 85)

₹ 1,503 Mn
R&D Spend over the last 5 years on Opex, Facility, and BE studies

Risk Management

Enhancing Risk Resilience

At ZIM Laboratories Limited, we recognise the importance of risk management as an effective tool to secure our business objectives, ensure long-term stability and maintain resilience in a dynamic industrial landscape. Our comprehensive risk management framework facilitates the proactive identification, assessment, implementation and mitigation of risks/opportunities across all organisational levels supporting informed decision-making and sustainable value creation.

Risk Management Approach

Identification of Risks across all organisational levels

Risk Assessment through severity and impact evaluation of identified risks on business objectives

Implementation by deploying risk mitigation strategies across relevant processes and teams

Risk Monitoring and Review through continuous risk tracking and assessment ensure the effectiveness of mitigation efforts and adjust strategies proactively

Enterprise Risk Management Framework

At ZIM Laboratories Limited, we consider risk management a fundamental part of our business operations. Our comprehensive Risk Management Framework is overseen by a dedicated Risk Management Committee, comprising Directors with extensive expertise in risk management, finance, accounting, and related fields.

This committee plays a crucial role in assisting the Board in fulfilling its Corporate Governance responsibilities, ensuring a balanced approach to risks and opportunities.

Key Responsibilities of the Risk Management Committee:

- **Identifying and Categorising Company-related Risks:** Recognising and classifying risks across various business functions.
- **Ensuring Compliance:** Guaranteeing adherence to all applicable laws and regulations.
- **Assessing Management's Competency:** Evaluating the management team's ability to make informed, risk-based business decisions.
- **Leveraging Business Opportunities:** Identifying opportunities for growth while protecting the company from unacceptable risks.
- **Preventing Value Erosion:** Implementing strong compliance measures to safeguard organisational value.
- **Prioritising Risks:** Classifying risks based on their likelihood and potential impact on the business.

Enterprise Risks, Mitigation & Opportunities

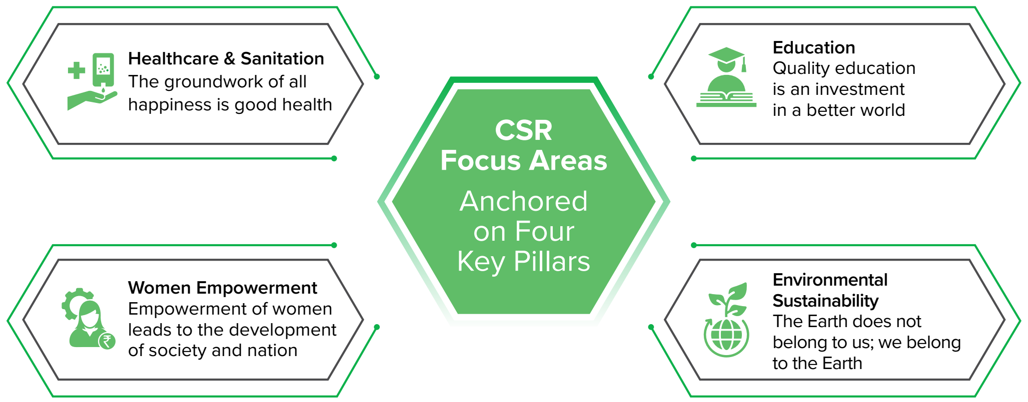
Area of Risk	Description	Mitigating Actions	Opportunities
Geopolitical Risks & Market Disruptions	Potential geopolitical challenges could disrupt operations, supply chains, market access and revenue growth.	• Maintaining a globally diversified portfolio to reduce geographic dependency • Expansion into key developed and emerging markets • Bolstering sourcing and supply chain networks • Fostering innovation in key target markets and leveraging the Indian generic drugs market	• Optimising value in the growing Indian Generic Drugs Market • Fuelling innovation to boost market resilience
Delays in Registration and Manufacturing approval	Delays in obtaining product registration, marketing approvals, manufacturing permits and regulatory audits; delays in the commercial launch of New Innovative Products (NIP) could impact product launches, operations, revenues and profitability.	• Increasing filings across emerging and regulated markets • Enhance NIP product filings in RoW markets • Increasing submission of product dossier • Expanding the nutraceutical segment • Leveraging local partnerships to boost innovation and regulatory insights	• Committed to innovation-led growth through strategic local partnerships • Expanding market share and visibility through regulatory preparedness and quicker go-to-market strategies
High Competition in the Global Pharmaceutical Industry	A highly competitive global pharmaceutical landscape with increased pricing pressure and market share erosion could slow down penetration in key segments.	• Targeting high-value New Innovative Products (NIP) and Oral Thin Films (OTF) • Ongoing investments in AI, telemedicine and machine learning to develop advanced healthcare solutions • Remodelling distribution strategies for enhancing market competitiveness	• Using cutting-edge digital technologies to differentiate products • Building a robust product pipeline and optimising distribution for sustained market edge
Stringent Regulatory & Compliance Risk	Ongoing adherence to EU-GMP requirements to mitigate the risk of manufacturing defects or regulatory non-conformities.	• Adherence to stringent implementation of compliance processes across facilities • Maintaining EU-GMP certification through regular internal audits and regulatory inspections to ensure continued product quality and compliance. • Partnering with local authorities and regulatory experts to ensure adherence to relevant compliance frameworks	• Bolstering regulatory preparedness by leveraging key partnerships • Harnessing real-time compliance intelligence to enable global market expansion
Cyber Security Threats & Data Protection	Rising incidences of cyber-attacks, data breaches, intellectual property theft and data loss.	• Implementing the latest cyber security frameworks with real-time threat detection • Undertaking of regular audits and employee training • Implementing data encryption, multi-layered security and stringent compliance norms	• Utilising advanced AI-driven cyber security tools • Strengthening stakeholder trust by exceeding global data protection benchmarks • Improving infrastructure for enhancing operational security

Corporate Social Responsibility

Nurturing Community Development

At ZIM Laboratories Limited, corporate social responsibility (CSR) is not just an obligation; it is a purpose-driven commitment. As such, we have integrated sustainability across our business to create long-term, positive and measurable societal impact.

Through thoughtfully designed CSR initiatives, we focus on strengthening Healthcare & Sanitation, advancing Education, promoting environmental stewardship and enabling Women Empowerment. Aligned with the United Nations Sustainable Development Goals (SDGs), these initiatives reinforce our ongoing commitment to building a resilient and healthier ecosystem.



CSR Initiatives & Impact: FY26

1. Healthcare & Sanitation

UNSDGs Impacted

i. Fetri Vidyalay & Uccha Madhyamik Vidhyalaya

Project: Washroom Construction/Renovation for Boys and Girls

Purpose: Create a healthy, hygienic and safe environment for enhancing hygiene standards and personal safety and reducing health-related absenteeism

Beneficiaries: 160 attendees

Impact: Built a comfortable, clean and safe environment, reducing the risk of infections and improving hygiene practices

ii. Zilla Parishad Primary School Gumthala, Kalmeshwar

Project: Washroom Construction for Boys and Girls

Purpose: Ensure enhanced hygiene standards along with personal safety infrastructure

Beneficiaries: 43 attendees

Impact: Improved sanitation and health outcomes, reducing disease transmission and supporting better school attendance

iii. Indira Gandhi Prathmik and Uchch Prathmik School, Kalmeshwar

Project 1: Washroom Construction for Boys and Girls

Purpose: Enhance hygiene standards and personal safety for students

Beneficiaries: 127 attendees

Impact: Advancing health and wellness to reduce absenteeism and foster a safe learning environment

Project 2: Installation of Water Facility

Purpose: Enhance hygiene and health standards, support student welfare, reduce health-related absenteeism and create a safer learning environment

Beneficiaries: 127 attendees

Impact: Access to clean and safe water, reduced risk of infections and promoted better hygiene practices

iv. Krushnarao Wankhede High School

Project: Renovation of Girls Washroom and Construction of Boys Washroom

Purpose: Promote hygiene standards, ensure personal safety and create a healthy learning environment

Beneficiaries: 386 attendees

Impact: Provided better sanitation facilities, improving student welfare and enhancing school infrastructure

v. **Zilla Parishad Prathmik School, Kohli, Kalmeshwar**

Project: Drinking Water Facility

Purpose: Provide clean, safe drinking water to enhance hygiene standards and improve health and safety

Beneficiaries: 86 attendees

Impact: Access to clean water, reducing waterborne diseases and better health outcomes

vi. **Zilla Parishad Prathmik School, Masepathar, Kalmeshwar**

Project: Drinking Water Facility

Purpose: Provide clean, safe drinking water to improve hygiene standards, overall health and safety

Beneficiaries: 18 attendees

Impact: Improved water access for better health and wellness and reduced disease risk

vii. **Shri Ram Uchch Prathmik School**

Project: Computer Provision and Drinking Water Facility

Purpose: Upgrade digital learning infrastructure, promote health and sanitation and enhance access to educational technology

Beneficiaries: 142 attendees

Impact: Advanced digital literacy and technology access for students, along with improved water and sanitation facilities

viii. **Prerna Multipurpose Society**

Project: Washroom renovation for specially-abled students

Purpose: Foster a healthy environment for differently-abled students, enabling regular school attendance without barriers and promoting inclusive education

Beneficiaries: 83 (including differently-abled students)

Impact: Provision of a comfortable, clean and safe environment, reducing risk of infections, better hygiene practices and access to barrier-free education

2. Education

UNSDGs Impacted

i. **PM Shri Nagar Parishad High School & Junior College, Kalmeshwar**

Project: Setting up of Chemistry Laboratory

Purpose: Establish a functional laboratory workspace that enables practical science education and bolsters scientific learning capabilities

Beneficiaries: 200 attendees

Impact: Functional, well-equipped workspace established, offering better equipment for experiments, enhanced STEM education quality and proper water supply and drainage for lab operations

ii. **K.Z.S. Science College, Kalmeshwar**

Project: Providing Computers

Purpose: Establish an upgraded digital learning environment that ensures access to modern educational technology and the development of digital literacy skills

Beneficiaries: 212 attendees

Impact: Advanced digital literacy, enabling technology access for students and enhancing learning capabilities through modern educational infrastructure

iii. **Zilla Parishad School Madasaongi, Dhapewada**

Project: Building a Multipurpose Shed at Dhapewada

Purpose: Ensure covered space for student meals, recreational and community events, offering protection from harsh weather conditions and supporting holistic student development

Beneficiaries: 5,212 attendees

Impact: Improve student welfare by enabling recreational and cultural activities, infrastructure development and providing a community engagement space

3. Women Empowerment

UNSDGs Impacted

i. **Gurunanak College of Pharmacy, Nagpur**

Project: Financial Assistance to Students

Purpose: Remove financial barriers to education, helping talented and economically disadvantaged students to continue their studies and secure their academic future

Beneficiaries: 2 attendees

Impact: Ensuring educational continuity for deserving students, promoting social inclusion in higher education and economic empowerment through education

FY26 Dashboard (Key Achievements and Impact)

Infrastructure Development

7
Washroom Facilities (constructed/renovated)

4
Drinking Water Facilities

1
Chemistry Laboratory

1
Multipurpose Shed

7
Computers provided across schools

Health & Sanitation

799
Total Beneficiaries benefiting from improved sanitation

373
Total beneficiaries with clean water access

Education Enhancement

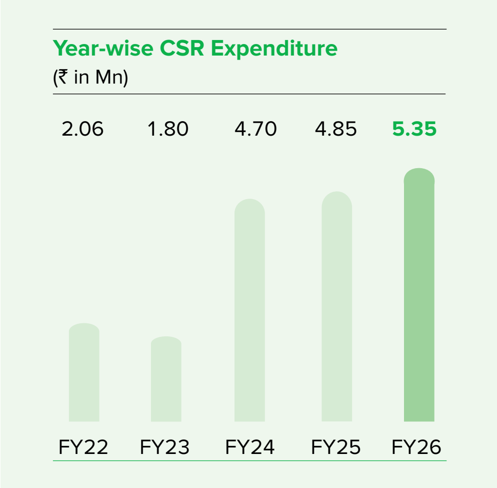
464
Students benefited with improved learning infrastructure

2
Female students supported with scholarships

Social Inclusion

83
Differently-abled students provided with accessible facilities

₹ 53.49 Lakhs
Total CSR spend in FY26



The number of beneficiaries as stated above are based on the submission of information by the respective schools/institutes.

Corporate Information

Board of Directors

Dr. Anwar Daud
Chairman and Managing Director

Mr. Zulfiquar Kamal
Director (Finance)

Mr. Niraj Dhadiwal
Director (Business Development)

Mr. Prakash Sapkal
Director & Head – ODS Business, Formulations (Domestic, ROW & Emerging Markets)

Mrs. Kavita Loya
Independent Director & Chairperson – Audit Committee and Stakeholders Relationship Committee

Mr. Padmakar Joshi
Independent Director & Chairman – Nomination and Remuneration Committee and Risk Committee

Dr. Kamlesh Shende
Independent Director & Chairman – Corporate Social Responsibility Committee

Mr. Ashok Bhatia
Independent Director

Key Managerial Personnel

Mr. Shyam Mohan Patro
Chief Financial Officer

CS. Piyush Nikhade
Company Secretary & Compliance Officer

Banking and Financial Institutional Partners

Bank of India
SVC Co-operative Bank Limited
IndusInd Bank Limited
TATA Capital Limited

Statutory Auditors

Deloitte Haskins & Sells LLP

Cost Auditor

M/s Dhananjay V. Joshi & Associates
Cost Accountants

Internal Auditors

Protiviti India Member Private Limited

Secretarial Auditor

BNP & Associates
Practicing Company Secretaries

Registered Office

ZIM Laboratories Limited
Sadoday Gyan (Ground Floor),
Opp. NADT, Nelson Square,
Nagpur – 440013, Maharashtra, India
Tel: +91 712 2981960
Website: www.zimlab.in
Email: cs@zimlab.in

CIN: L99999MH1984PLC032172

Registrar And Share Transfer Agent

MUFG Intime India Private Limited
Unit: ZIM Laboratories Limited,
C-101, 247 Park, LBS Marg, Vikhroli (West),
Mumbai – 400083, Maharashtra, India
Tel: +91 22 4918 6000
Toll-Free: 1800 1020 878
Email: rnt.helpdesk@linkintime.co.in

Legal Consultant

Adv. Shabana Karim

Investor Relations

Mr. Zain Daud
Email: zain.daud@zimlab.in

Address:
ZIM Laboratories Limited
2nd Floor - MHKS Spaces, Nelson Square,
Nagpur - 440013, Maharashtra, India

Board of Directors

Dr. Anwar Siraj Daud

Chairman and Managing Director

Dr. Anwar Siraj Daud, the visionary behind ZIM Laboratories Limited, holds an M. Pharm. and a Ph.D. in Pharmaceutical Chemistry and Pharmaceutics. Since the beginning of his professional journey in 1981, he has played a key role in building ZIM into an R&D driven pharmaceutical enterprise, renowned for quality and innovation.

Under his dynamic leadership, ZIM has emerged as a globally reputed and trusted supplier of high-quality medications to over 50 countries. With a passion for innovation, Dr. Daud has led the development of multiple novel drug delivery systems and differentiated pharmaceutical products.

He spearheads the Company's business strategy, drives R&D operations and expands its international business presence. As a respected member of numerous professional bodies, Dr. Daud is committed to advancing pharmaceutical standards in India and has been widely recognised with multiple accolades and honours from prestigious organisations.

Mr. Zulfiquar Kamal

Director – (Finance)

Mr. Zulfiquar Kamal, an experienced Chartered Accountant with over 30 years of diverse financial expertise, has been an integral part of ZIM Laboratories Limited for over 26 years. He has served on the Board of Directors since 1991 and has played a key role in strengthening financial discipline and internal controls, immensely contributing to the Company's sustained growth.

As Director of Finance, Mr. Kamal spearheads the Company's commercial operations and has been instrumental in ZIM's transition to a financially robust and operationally efficient organisation. Furthermore, his strategic foresight and commitment to excellence have helped integrate cutting-edge technology across financial processes, streamlining operations and boosting competitiveness.

Mr. Niraj Dhadiwal

Director - (Business Development)

Mr. Niraj Dhadiwal, a pharmacy graduate with a Diploma in Business Management, joined ZIM Laboratories Limited in 1990 as a Production Officer and currently serves as a Director on the Board.

With expertise in pharmaceuticals and business strategy, Mr. Dhadiwal has driven ZIM's international growth and export presence, leveraging his strategic foresight, technical acumen and deep insights into global markets.

As Director of Business Development, he oversees the Company's marketing and business development efforts, developing innovative drug delivery solutions and building enduring partnerships to deliver sustainable value while expanding its global footprint.

Mr. Prakash Sapkal

Director and Head – ODS Business, Formulations – Domestic, ROW & Emerging Markets

Mr. Prakash Sapkal, a Pharmacy graduate with a postgraduate degree in Business Administration, has been with ZIM Laboratories Limited for over 27 years.

Starting as an Assistant Chemist, he has progressed through the ranks, holding key positions including Production Supervisor, Production Manager and Vice President – Operations.

Focussed on driving meaningful change, Mr. Sapkal has been instrumental in building and nurturing the team that transformed ZIM's vision into reality. Aligning operational excellence with people-centricity, he has prioritised customer-driven initiatives along with process optimisation and efficiency.

Mrs. Kavita Loya

Independent Director

Mrs. Kavita Loya, an experienced Chartered Accountant with over 22 years of experience, serves as a Partner at Loya Bagri & Company, Chartered Accountants, specialising in Audit, Taxation, and Financial Advisory Services.

Since joining the Board of ZIM Laboratories Limited as an Independent Director in 2017, Mrs. Loya has significantly contributed to various governance functions. She has actively served on key committees, including the Capacity Building Committee and the Women's Empowerment Committee of the Institute of Chartered Accountants of India (ICAI) in both the Western Region and at chapters in Mumbai and Nagpur. Additionally, she is a key group member of the Bombay Chartered Accountants Society, demonstrating her unwavering commitment to professional excellence and community leadership.

Mr. Padmakar Joshi

Independent Director

Mr. Padmakar Joshi, a banking industry veteran with over 39 years of diverse experience in commercial banking, serves as an Independent Director on the Board of ZIM Laboratories Limited since September 2017.

He retired as the Deputy Head of Corporate & SME Credit Monitoring and Debt Restructuring at Union Bank of India, where he oversaw credit operations and managed financial restructuring initiatives. He now provides his deep banking and financial management insights to ZIM's strategic direction and governance.

Dr. Kamlesh Shende

Independent Director

Dr. Kamlesh Shende, with over 31 years of deep expertise in regulatory affairs within the pharmaceutical sector, holds a Master's Degree in Pharmacology and a PhD in Herbal Medicine from the University of Health Sciences, Nashik.

Over the years, Dr. Shende has served as a technical consultant to multiple pharmaceutical companies, providing expertise on drug policy and regulatory compliance. Additionally, he has served as Drug Formulation Expert for the state of Maharashtra and was a member of the National Subcommittee on Formulations, constituted by the Drugs Consultative Committee.

He retired as Joint Commissioner (Drugs) from the Food and Drug Administration (FDA), Mumbai, and now brings his extensive regulatory insight and leadership to the Board of ZIM Laboratories Limited.

Mr. Ashok Bhatia

Independent Director

Mr. Ashok Bhatia, a seasoned pharmaceutical executive, holds over 49 years of leadership across sales, marketing, business development, M&A and talent management. He holds a Doctorate in Business Administration (DBA), an MBA, and a B.Sc.. He is a guest faculty at IIM Ahmedabad and IIM Rohtak, specialising in International Marketing and Talent Management.

He was associated with Zydus Lifesciences for 37 years, rising to the position of President – Emerging Markets, leading operations across 12 markets and managing a team of over 800 professionals. As the Group CEO of Abacus Pharma (Africa) Ltd. (Carlyle Group), he led the company's transition into a professionally managed, compliant organisation. His leadership has enabled the launch of over 25 Mn-dollar brands while expanding business across Brazil, South & East Africa, Asia Pacific. He has also overseen regulatory, manufacturing & supply chain functions.

In the past, Mr. Bhatia has served as an advisor to McKinsey, KKR India, ChrysCapital. Currently, he serves as a board member of Shalby Ltd. His article 'Gender and Workplace' has been published in VIKALPA, the journal of IIM Ahmedabad.

ZIM Health Technologies Limited (ZHTL) - Wholly-Owned Subsidiary

Board of Directors

Dr. Anwar Siraj Daud
Non-Executive Chairman (ZHTL)

Mr. Zulfiquar Kamal
Non-Executive and Non-Independent Director (ZHTL)

Dr. Chandrashekhar Mainde
CEO and Executive Director

Mr. Gautam Saigal
Non-Executive and Non-Independent Director

Dr. Chandrashekhar Mainde
CEO and Executive Director

Dr. Mainde, an M. Pharm. and a Ph.D. in Pharmaceutical Technology from Nagpur University, holds over 27 years of diverse industry experience. He heads the Company's Research & Development initiatives, monitoring all technical functions, including Quality and Operations. He also plays a significant role in business development activities for regulated markets.

He is associated with leading pharmaceutical organisations and holds a proven track record, having successfully undergone approximately 75 audits by major regulatory authorities, including the USFDA, MHRA, ANVISA, TGA and EMA.

Dr. Mainde has led the filing of over 300 products with Turkey's Ministry of Health (MOH), 10 ANDA submissions to the USA, and 50 EU CTD dossiers across various European countries. He serves as the principal investigator for over 100 Indian patents with contributions to numerous global patent filings.

He has also conducted over 300 bio-equivalence studies, including those involving complex formulations, and submitted approximately 150 ANDA applications in the USA and other regulated markets.

Mr. Gautam Saigal is the Founding Partner of Pachira Financial Services LLP and an adviser to ZIM Laboratories Limited. As a Chartered Accountant and postgraduate in Commerce from Calcutta University, he brings over 35 years of financial services experience, specialising in private equity investment, investment banking and advisory services.

Until mid-2013, he was associated as Managing Director of AA Indian Development Capital Advisors Ltd., advising an India-focussed mid-market private equity fund launched by the Ashmore Group and Alchemy Partners, UK. Additionally, he was Vice-President and Co-Head of the India private equity advisory practice at AIG Global Investment Group (Asia).

Since 1997, he has spearheaded multiple private equity investments, actively monitoring them as a Board Member across various sectors, including healthcare, financial services, telecom and consumer products. He was instrumental in heading the investment of the AA India Development Capital Fund in ZIM and served on ZIM Laboratories Limited's Board until mid-2013. He currently serves on the Boards of Asirvad Microfinance Ltd. and Manappuram Home Finance Ltd.

Mr. Gautam Saigal
Non-Executive and Non-Independent Director

Advisory Board

On 17th March, 2026, the Board of Directors of the Company, constituted an Advisory Board to strengthen its strategic direction and long-term growth. The Advisory Board comprises three distinguished industry veterans who bring independent perspectives and deep domain expertise to guide the Company's objective, goal setting, strategies and measurables framework and provide inputs on business development, talent hiring, market expansion, governance, risk management and organisational excellence. The Advisory Board operates in a purely advisory capacity with no statutory, fiduciary responsibilities, statutory authority, or execution powers.

The Advisory Board comprises the following distinguished member:

Mr. Annaswamy Vaidheesh
Chairman

Mr. Annaswamy Vaidheesh – Chairman With nearly four decades of leadership across healthcare and MedTech in Asia-Pacific, Mr. Vaidheesh brings invaluable expertise in pharmaceutical strategy, regulatory affairs, and market development. His role on the Advisory Board is to guide the Company on long-term vision, industry trends, and strategic positioning in domestic and international markets.

Mr. Gautam Saigal – Member A seasoned financial services professional with over 35 years in private equity, investment banking, and corporate advisory, Mr. Saigal contributes expertise in capital allocation, governance frameworks, and investor relations. His role focusses on advising the Company on financial strategy, growth financing, and Board-level governance best practices.

Mr. Gautam Saigal
Member

Mr. Girdhar Balwani
Member

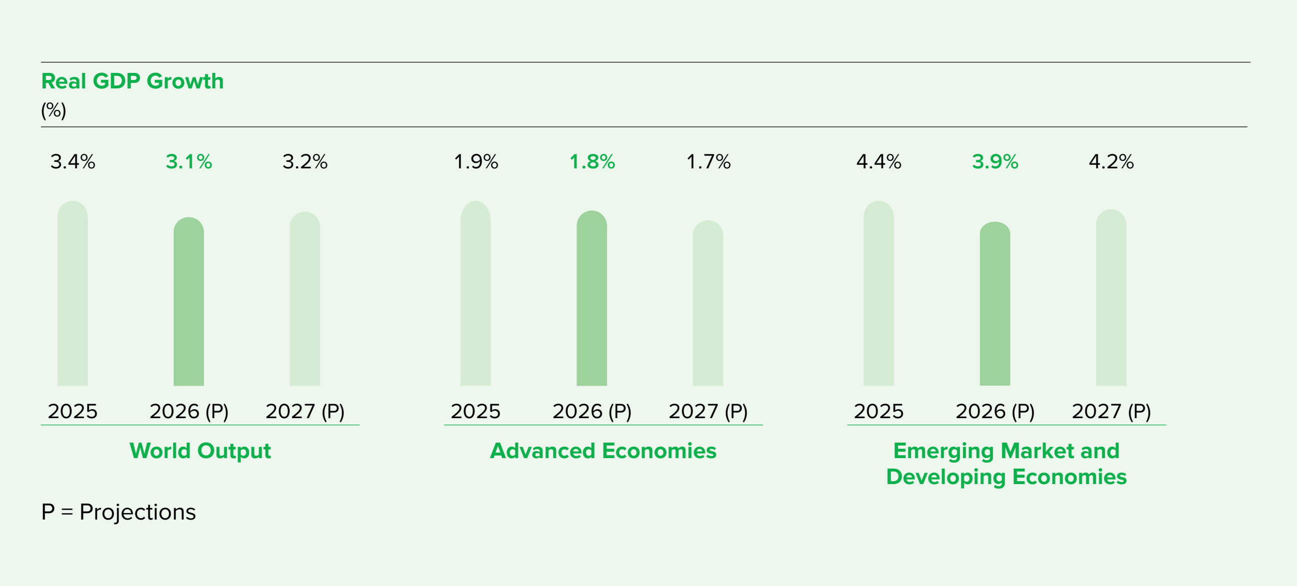
Mr. Girdhar Balwani – Member With over 40 years of pharmaceutical and healthcare experience across Asia-Pacific, Mr. Balwani brings deep operational knowledge spanning sales, marketing, manufacturing, and business development. His role is to advise on market expansion, new business lines, organisational structuring, and talent strategy to drive sustainable growth

Management Discussion & Analysis

Global Economy

The global economy remained stable in 2025 by navigating changing trade policies and different regional outcomes. Technology investments in areas such as artificial intelligence helped balance the effects of tariffs and policy changes. Global inflation reached a steady 4.1% as several countries reported lower figures than expected. This environment provided global operations and research teams with a more predictable cost structure.

World GDP growth reached 3.4% for the year with varying results across different areas. Advanced economies grew by 1.9% while the United States saw a 2.1% increase from technology spending and financial support. The euro area grew by 1.4% and Japan by 1.2%. Emerging markets performed better with 4.4% growth where India reached 7.6% and China saw 5.0% expansion. These high performing markets remain essential for global reach and patient access.



(Source: World Economic Outlook (IMF), WEO (IMF)-April)

Trade tensions decreased after a truce between the United States and China lowered tariffs and paused export limits on electronic components and minerals. The United States also removed certain agricultural tariffs which kept overall rates similar to previous levels. While policy concerns were lower than the peaks seen in late 2025, they remained higher than the year before.

Financial conditions were generally helpful despite some market changes, and high growth technology stocks performed better than the wider market. Global trade volumes stayed consistent because of strong technology exports from Asia. Central banks managed inflation through small policy changes including rate drops in the United States and the United Kingdom. These actions helped maintain a stable financial environment against trade and political challenges.

Outlook

The mid-term global economic outlook suggests a period of sustained growth with projections of 3.3% for 2026 and 3.2% for 2027. This positive trend is driven by a shift toward technology-led productivity, particularly the use of artificial intelligence in industrial and medical fields.

Advanced economies are expected to expand by 1.8% in 2026. The United States is likely to lead this group with 2.4% growth, supported by fiscal incentives and healthcare tax reliefs from the One Big Beautiful Bill Act. This legislation and the recovery from the late 2025 federal shutdown create a strong framework for healthcare spending and private investment. While the Eurozone faces slower growth at 1.3%, it remains a stable pillar of the global economy. Japan is expected to grow by 0.7% under new fiscal policies.

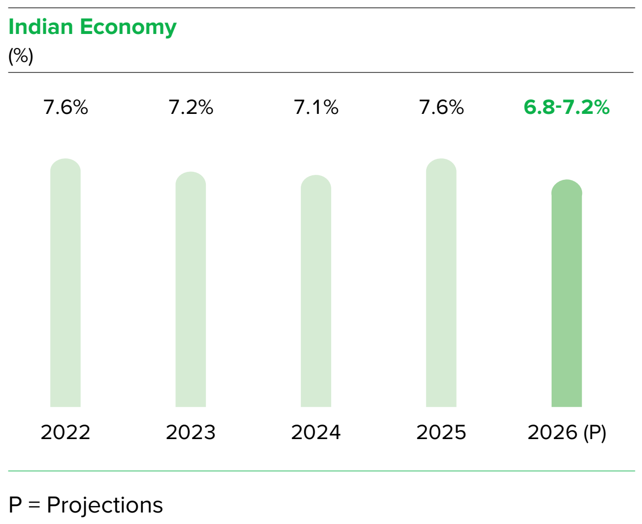
Emerging markets remain a high-growth frontier with momentum staying above 4.0%. China is expected to grow by 4.5% due to domestic stimulus and more predictable trade with the US. India remains a global leader with a 6.3% growth rate and serves as a critical hub for manufacturing and digital health innovation. Growth in the Middle East at 3.9% and in Sub-Saharan Africa at 4.6% reflects regional stabilisation and presents opportunities to reach more patients globally.

The financial environment is expected to improve as inflation drops toward 3.4% by 2027. Lower price pressures and interest rate cuts in the US and UK should make it easier to fund large-scale research and development projects. While global trade growth may slow to 2.6% because of tariff adjustments, the technology and pharmaceutical sectors remain strong to ensure the continued delivery of essential medicines.

Indian Economy

The Indian economy exhibited resilience in FY26 amid global trade uncertainties and market fluctuations. The Second Advance Estimates indicate real GDP growth of 7.6% alongside Gross Value Added at 7.7%. These figures underscore the strength of a domestic demand-led growth trajectory. Robust agricultural performance bolstered rural earnings. Urban consumption gained momentum from stable jobs and easing inflation.

While early projections anticipated India overtaking Japan to become the world's fourth-largest economy, recent IMF updates position India at the sixth spot. This adjustment is primarily a reflection of currency fluctuations and statistical baseline revisions rather than a deceleration in domestic growth momentum. Current GDP stands at $4.15 trillion. Projections position the country to claim third place by 2030 with a $7.3 trillion economy. This trajectory reaffirms India's status as the fastest-expanding major economy. Domestic demand, durability and structural reforms provide firm backing.



Private consumption continues as the key engine. Lower inflation and rising real wages fuel this momentum. Public capital expenditure reached ₹ 12.2 lakh crore. Such outlays advanced infrastructure and stimulated sectors like manufacturing, construction, and energy. Initiatives such as Viksit Bharat 2047 advance self-reliance and capacity enhancement despite external headwinds.

Average headline Consumer Price Index (CPI) inflation recorded a historic low of 1.7% during the first nine months of FY26, supporting domestic purchasing power through sustained price stability. Due to the global distress, the MoSPI finalised the inflation rate at 3.4% (as of March 2026), anchored by prudent government spending and steady bank credit expansion. The banking sector demonstrates resilience through robust capital buffers and minimal non-performing assets, complemented by foreign exchange reserves exceeding $ 700 billion that fortify India's capacity to navigate global volatility. (Source: PIB, PIB 2, MoSPI)

Outlook

The outlook for the Indian economy stays positive and stable. Projections place real GDP growth for FY27 between 6.8% and 7.2%. These estimates highlight India's ability to preserve strong momentum despite worldwide uncertainties.

Government spending on infrastructure will continue to provide solid support. Private sector investments keep rising steadily. Policy measures and capacity building further reinforce the manufacturing base. The services sector holds its reliable growth path. Digital progress and resilient exports lend additional strength. (Source: PIB)

Industry Overview

The Indian pharmaceutical industry is undergoing a structural shift from a volume-based model to a value-driven innovation leader. As of FY26, the sector's annual turnover reached ₹ 4.72 lakh crore, with the market projected to expand to 130 billion dollars by 2030. India continues to strengthen its reputation as the "Pharmacy of the World" by meeting 20% of the global generic drug demand and supplying 55–60% of UNICEF's vaccine requirements, including 99% of WHO's DPT demand. Domestic performance remains robust with revenue growth projected at 8% to 10% for FY26, driven by expansion into rural markets and the launch of chronic therapy products. (Source: PIB, Indian Century)

Government support is a primary catalyst for this growth through significant fiscal allocations and policy reforms. The Union Budget 2025-26 increased the funding for the Department of Pharmaceuticals by 28.8% to ₹ 5,268 crore, including specific outlays for bulk drug parks and medical device clusters. Newer initiatives like the Biopharma Shakti scheme, with a ₹ 10,000 crore outlay over five years, aim to foster research in high-value areas such as biologics and biosimilars. To improve operational efficiency, the government is also working to resolve the inverted duty structure and streamline GST refunds on input services, which will help ease working capital pressures for manufacturers.

On the global front, Indian exports reached 30.4 billion dollars in FY25 despite regulatory scrutiny and pricing pressures in traditional markets like the United States. To mitigate these risks, the industry is pivoting toward market diversification in Europe, Africa, and Latin America. Strategic focus is also shifting toward the Active Pharmaceutical Ingredient (API) segment with a ₹ 60,000 crore push to reduce import dependence. By integrating advanced technologies and maintaining the highest number of USFDA-compliant plants outside the US, the sector is well-positioned to lead the next phase of global healthcare innovation. (Source: IBEF, PIB)

Company Overview

ZIM Laboratories Limited (ZIM or "the Company"), founded in 1984, and commenced operations in 1989, is a specialist firm focussed on the developing, manufacturing, and global distribution of differentiated generic Pharmaceutical and Nutraceutical products in oral solid dosage forms. The Company's comprehensive services include both Pre-Formulation Intermediates (PFI) and Finished Formulations (FF) across numerous vital therapeutic areas globally.

ZIM's innovative drug delivery solutions and cutting-edge technological platforms to boost patient convenience and adherence to treatment significantly. With established proficiency in producing complex and differentiated generic products, ZIM utilises advanced delivery techniques and varied release patterns to supply effective and readily available healthcare solutions.

Key Therapy Areas and Dosage Offerings

The Company's core therapeutic focus areas include: Urology, Gastrointestinal, NSAIDs / Analgesics, Anti-infectives, Cardiovascular, Central Nervous System, and Vitamins & Supplements.

Our wide range of dosage forms includes Tablets, Dry Syrups, Directly Compressible (DC) Granules, Pellets, Capsules, Oral Thin Films (OTF), and Taste-Masked Powders.

Manufacturing and Technology Capabilities

ZIM's advanced manufacturing process capabilities include: Oral film casting, Stability enhancement, Transmucosal and Multilayer film technologies, bi / multi-layer film casting, Active nanoparticulate granulation, Solvent-less processing, Taste masking, Solubility and Bioavailability enhancement, and Multilayered pellets.

The Company's product differentiation is anchored by, unique proprietary and non-infringing technology platforms:

- Micro-Emulsion Coating Technology (MECT)
- Pellet Cold Forming Technology (PCFT)
- Rapid Gelation Drug Release Technology (RGDRT)
- Matrix Pore Forming Tablet Technology (MAPOTAB)

ZIM's Innovative Products Basket, featuring New Innovative Products (NIP) and Oral Thin Films (OTF), is strategically positioned to achieve high-value revenue growth, expand our global presence, and enhance patient outcomes.

The Company maintains a strong commitment to global high-quality healthcare, continuously developing proprietary technology and value-added generics through persistent R&D efforts. ZIM acts as a key supplier of both finished and semi-finished products within its targeted markets.

Advance Manufacturing Facility and Efficient R&D Centre

ZIM operates three state-of-the-art manufacturing facilities i.e. General, Cephalosporin, and OTF and a well-established R&D centre, all staffed by highly skilled professionals. These resources allow the Company to develop and manufacture high-quality medicines that meet global compliance requirements.

Key Certifications

The Company's commitment to quality and global standards is demonstrated by its adherence to critical compliance requirements, including:

- WHO-GMP (World Health Organisation Good Manufacturing Practices)
- ISO 9001 (International Organisation for Standardisation)
- NSF/ANSI 455-2(NSF/American National Standards Institute)

Global Presence and Operations

ZIM has established offices and subsidiaries in key locations, including India, the UAE, Australia, and the EU. These strategic hubs help the company run our global operations efficiently and ensure we always comply with local regulations.

Additionally, ZIM has set up a **Scientific Office (SO) in the UAE**. This office specifically manages the registration and marketing of our innovative pharmaceutical and nutraceutical products across the region.

The Company's integrated business model offers complete, end-to-end product development solutions:

- **Idea Generation:** From initial product conceptualisation.
- **Development & Filing:** Through product development, dossier development & filing.
- **Approval & Supply:** To secure Marketing Authorisation (MA), manufacturing, and final supply.

Key Offerings

ZIM's product portfolio is built on value-added and complex generic medicines offered through two main forms: Pre-Formulation Intermediates (PFI) and Finished Formulations (FF).

The Company develops these intermediates in close collaboration with our distribution partners. This allows us to deliver customised solutions for the development, sourcing, and marketing of specific, differentiated generic products.

Further, our Finished Formulations include branded generics. These are registered in select markets and launched through partnerships with local distributors and marketing companies.

Our innovative product basket has two core segments:

- **New Innovative Products (NIP):** This segment focusses on advancing innovation. It includes complex generic pharmaceuticals developed using our in-house technology platforms. These next-generation complex molecules are designed to become first- or second-generation advanced generics in specific markets.
- **Oral Thin Films (OTF):** This line offers both branded pharmaceutical and nutraceutical products delivered in a patient-centric, innovative film format.

Performance Highlights

- **Total Operating Income stood at ₹ 3,744 Mn**, impacted by the geopolitical situation in the Middle East leading to some loss of business.
- **EBITDA declined by 16.4% YoY to ₹ 414 Mn.** PAT margin declined by 160 bps to 1.6% in FY26, compared to 3.2% in FY25.
- **Export Revenue advanced 0.8% YoY** to **₹ 3,150 Mn** from **₹ 3,125 Mn** in FY25, sustained by consistent demand from RoW and Pharmerging markets owing to expansion of the team and hiring of a President of International Business.
- **NIP + OTF Sales Revenue aggregated ₹ 566 Mn,** representing 15% of Total Operating Revenue inclusive of licensing fees, reinforcing the strategic importance of our proprietary technology platforms.
- **Research & Development Expenditure constituted 8.3%** of Total Operating Income, reflecting our sustained commitment to building a differentiated and future-ready product pipeline.
- **Finance Costs increased** from **₹ 114 Mn** to **₹ 132 Mn** in FY26, reflecting an increase in total borrowings from **₹ 1,122** Mn to **₹ 1,230 Mn**, deployed towards plant and equipment upgrades in support of infrastructure expansion.
- **Dossier Licensing Income from NIP + OTF declined to ₹ 87 Mn in FY26 from ₹ 98 Mn in FY25**, demonstrating the growing commercial value and market receptivity of our proprietary drug delivery technologies.
- **Gross Block Additions during FY26** totalled ₹ 409 Mn, of which ₹ 108 Mn was directed towards bioequivalence studies and regulatory submissions in support of our Developed Markets pipeline.

Export Business

The Company is continuously strengthening its global footprint. We achieve this through strategic partnerships, innovative R&D, and a growing local presence in key regions.

Our diverse technology and product portfolio allows us to operate in 50+ countries, including:

- **Key Emerging Regions:** Asia (including India), Africa, MENA (Middle East & North Africa), Latin America, and CIS.
- **Developed and 'Pharmerging' Markets:** The EU, Turkey, Canada, Australia, Saudi Arabia, and other high-GDP markets.

To support this ongoing global expansion, ZIM is currently reinforcing its Business Development team across all regions.

Domestic Business

The Company focusses on delivering unique, differentiated Pharmaceutical and Nutraceutical products to a diverse customer base. This includes central and state government agencies, as well as private-sector pharmaceutical and nutraceutical companies.

The Company strategically supplies high-margin, value-added generic formulations under key government schemes. This approach helps mitigate risks associated with price volatility and delayed payments. Major initiatives we support include Jan Aushadhi, CGHS (Central Government Health Scheme), ESIC (Employees' State Insurance Corporation), and the Indian Railways.

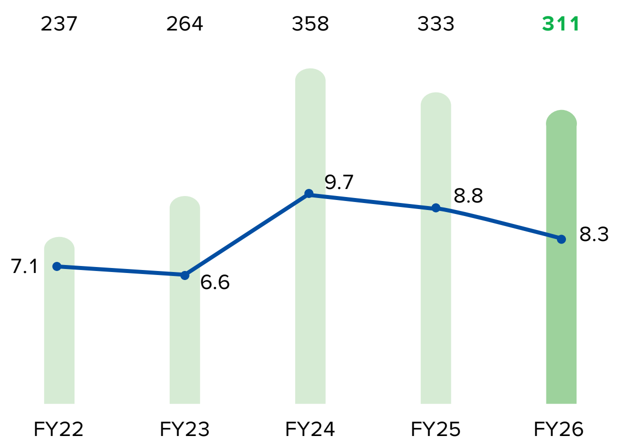
ZIM's innovative formulations have gained strong traction under these central and state government schemes. As a result, domestic revenues contributed a substantial 16% the Total Operating Income in FY26.

R&D - Driving Product Innovation

ZIM remains dedicated to developing differentiated generics. The Company achieves this by leveraging innovative, advanced drug delivery systems and proprietary manufacturing technologies.

This commitment to innovation is backed by a powerful R&D infrastructure. Our team consists of highly skilled & focussed professionals, supported by continuous, long-term investments in research and development.

R&D Expense Mix as % of Total R&D Investment, and Year-Wise Allocation (₹ Mn)



- In FY26, 8.3% of total revenue was invested in R&D.
- Capital Expenses on BE-Study & Registration under R&D amounted to ₹ **108 Mn** during FY26, reflecting the Company's continued commitment to expanding its product pipeline and regulatory compliance

101 R&D Team size	2 PHDs	85 Post Graduate
₹ 311Mn Allocation on Opex, Facility, BE Studies, Registrations, and for advancing the pipeline of innovative products	3 NIP & 3 OTF EU Marketing Authorisations (MAs) received	8 NIP filed in Europe (till date)

Key filings and Business Updated

During FY26, ZIM completed a total of 57 regulatory filings across key geographies, comprising 14 NIP filings, 29 OTF filings, and 14 FF filings.

Financial Performance

Ratio		Year ended 31st March, 2026	Year ended 31st March, 2025	% change
Current ratio	Times	1.45	1.39	4%
Debt- Equity Ratio	%	42%	44%	-7%
Debt Service Coverage Ratio	Times	1.13	1.65	-32%
Return on Equity Ratio	%	2.13%	5.38%	-60%
Inventory Turnover Ratio	Times	1.83	2.00	-8%
Trade Receivable Turnover Ratio	Times	3.33	3.50	-5%
Trade Payable Turnover Ratio	Times	4.00	4.42	-10%
Net Capital Turnover Ratio	Times	4.38	5.84	-25%
Net Profit Ratio	%	1.56%	3.21%	-51%
Return on Capital Employed	%	5.47%	8.29%	-34%
Operating Profit Margin	%	5.72%	7.76%	-26%
Basic EPS	Times	1.19	2.50	-52%
Interest coverage ratio	Times	1.62	2.58	-37%

(i) Debt Service Coverage Ratio: Decreased by 32% in the current year due to decrease in profitability and increased finance costs and borrowings

(ii) Return on Equity Ratio: Decreased by 60% in the current year due to decrease in profitability

(iii) Net Capital Turover Ratio : Decreased by 25% in the current year due to increased working capital

(iv) Net Profit Ratio: Decreased by 51% in the current year due to decrease in profitability and increased finance costs

(v) Return on Capital Employed: Decreased by 34% in the current year due to decrease in profitability

(vi) Operating Profit Margin: Decreased by 26% in the current year due to decrease in profitability

(vii) Basic EPS: Decreased by 52% in the current year due to decrease in profitability

(viii) Interest coverage ratio: Decreased by 37% in the current year is mainly due to decrease in profitability and increased finance costs on account of working capital utilisation

Strategic Way-forward

The Company aims to build on its established market presence and expertise in drug delivery solutions to unlock growth opportunities in both the Indian and global pharmaceutical markets. With a strong commitment to research and consistent delivery of differentiated products, the Company is well-placed to drive business expansion in the coming years. The Company's most important focus is re-accreditation of plant with EU-GMP for which we have invested in the CAPA plan successfully.

Re-accreditation of the manufacturing facility with EU-GMP remains a top strategic priority. Having successfully invested in and executed a comprehensive CAPA (Corrective and Preventive Action) plan, the Company is positioned to reclaim its operational foothold and accelerate growth in European regulated markets.

Core Expansion Plan

- **Portfolio Optimisation:** ZIM aims to grow its key segments, specifically the New Innovative Products (NIP) and Oral Thin Films (OTF), by carefully optimising the existing product portfolio.
- **Market Targeting:** The Company will direct its efforts toward ROW and pharmerging, with an explicit focus on returning to European regulated markets following EU-GMP re-accreditation.
- **Patient Focus:** The Company remains dedicated to extending product life cycles and prioritising patient convenience through the application of innovative technologies and differentiated product offerings.
- **Value Delivery:** ZIM's goal is to consistently deliver value-driven products to partners and patients across both Rest of the World (RoW) and Pharmerging markets.

In the coming years, ZIM is poised to advance through strategic global collaborations, expanding its market reach and generating synergies through key partnerships. The recent approval to establish a subsidiary in Chile marks a concrete step toward strengthening the Company's presence in Latin America.

The Company's focus on R&D innovation will be strongly reinforced by ongoing investments dedicated to:

- Bioequivalence studies
- Regulatory registrations
- Advanced drug delivery technologies

These initiatives are designed to support ZIM's deeper market penetration into both regulated and emerging markets, thereby ensuring sustained growth, product diversification, and long-term success.

RISK MANAGEMENT

The Company encounter a range of risks stemming from both inherent business characteristics and shifts in the external landscape. Below, we identify some of these risks along with our proactive measures to mitigate them:

Risk	Impact	Mitigation
Geo-Political and Economic Risk	Geopolitical instability, arising from shifts in governments, policy changes, or international conflicts, poses a significant risk to financial markets. The resulting economic fallout, including rising inflation, sanctions, and trade barriers, disrupts global supply chains, drives up commodity prices, and causes resource shortages, which in turn hamper industrial production worldwide.	• ZIM's extensive geographic presence, along with its diverse product portfolio, significantly reduces dependence on any single region or product, thereby mitigating exposure to geopolitical risks. • The Company has assured alternative raw material sources, including the development of domestic suppliers within India, which ensures critical business continuity and resilience.
Registration and manufacturing approval delays	The processes for obtaining regulatory approvals for both product registrations and manufacturing involve extensive steps, including plant audits, accreditations, and commercialisation steps. Any delays in these processes can impact overall financial performance, particularly for New Innovative Products (NIP) targeted at Developed and Pharmerging markets.	• ZIM has implemented a proactive strategy for global market penetration. This approach includes launching a multi-country registration program, wherein product dossiers are filed simultaneously across various target markets, including key European nations. • To ensure compliance and avoid procedural bottlenecks, the Company retains highly specialised Subject Matter Experts (SMEs). These experts actively manage regulatory adherence, playing a crucial role in mitigating procedural delays throughout the registration process.

Risk	Impact	Mitigation
Competition Risk	The Indian Pharmaceutical sector has a highly competitive landscape, involving both large corporations and small-to-medium enterprises competing aggressively for market share. This high level of activity inevitably leads to sustained pricing pressures.	• ZIM strategically maintains a balanced revenue contribution from both its exports and domestic businesses, ensuring stability across the Pharmaceutical and Nutraceutical segments. • The Company's long-term sustainability is secured through disciplined market expansion efforts paired with uncompromising adherence to strict regulatory compliance standards.
Compliance & Regulatory Risk	The Central Drugs Standard Control Organisation (CDSCO) serves as the primary regulatory body responsible for overseeing the entire pharmaceutical sector.	• ZIM holds key certifications, including NSF/ANSI 455-2, which confirm the Company's strict adherence to the highest manufacturing and regulatory standards. • Regular third-party audits and rigorous compliance checks are utilised to actively reinforce the Company's regulatory commitments. • The Company engages expert regulatory consultants to ensure proactive compliance with continuously evolving global quality and regulatory standards.
Cyber Security Threats & Data Protection Risk	The Company faces a continually escalating risk from cyberattacks, data breaches, and the potential theft of intellectual property. These threats can lead to the loss of sensitive data belonging to customers, partners, or shareholders, resulting in both financial losses and significant reputational harm.	• The Company utilises advanced cybersecurity frameworks equipped with real-time threat detection to actively defend its systems. • The Company's strategy includes conducting routine audits and running comprehensive training programs to ensure all employees are prepared for emerging risks. • Data is protected through the application of encryption, multiple security protocols, and strict adherence to relevant international compliance standards.

Opportunities and Challenges

Opportunities

- **Global Generics Demand:** The market for Indian generic drugs continues its expansion, fuelled by the compelling combination of cost-effectiveness and globally recognised high-quality manufacturing standards.
- **Strengthened Regulatory Landscape:** The Indian government has reinforced quality controls, notably through the stricter enforcement of Good Manufacturing Practices (GMP) under the revised Schedule M guidelines (effective December 2023), combined with GST rationalisation on essential medicines and increased risk-based CDSCO inspections.
- **China Plus One Advantage:** Amidst geopolitical shifts, global pharmaceutical companies are diversifying their supply chains, positioning India as a significant growth beneficiary for manufacturing, leveraging the "China Plus One" strategy.

Challenges

- **Counterfeit and Sub-standard Drugs:** The pharmaceutical industry's credibility is affected by the persistent issue of counterfeit medication, particularly in developing markets, eroding patient trust and posing risks to public health. Maintaining strict quality systems, certifications, and supply chain integrity is essential for reputable manufacturers to differentiate themselves and protect brand equity.
- **Cybersecurity Exposure:** The industry remains highly vulnerable to cyber-attacks due to the presence of extremely sensitive proprietary drug data and private patient information.
- **API Price Volatility:** Currency fluctuations, inflation, and policy changes directly impact the cost of Active Pharmaceutical Ingredients (APIs), consequently exerting pressure on profit margins.
- **R&D Investment Pressure:** Escalating costs associated with research and development (R&D) place stress on margins, demanding prudent and deliberate capital allocation strategies.

IT Infrastructure and Technology

Enterprise Resource Planning (ERP)

The Company's ERP platform, Infionic, continued its phased integration during FY26. The eLog (Electronic Logbook) module is live and fully operational. Integration of LMS and eDMS with Infionic is currently in progress.

Quality Management System (QMS)

Implementation of the Document Management System (DMS) is in the rollout phase. e-BMR and TMS are planned for subsequent phases. A dedicated QMS tool to manage Change Control, CAPA, and Deviations is also planned, strengthening compliance governance across manufacturing operations.

Human Resource Management System (HRMS)

The Company's HRMS platform, Keka, remains the backbone of HR operations. Key modules Leave Management, Attendance, Payroll, Helpdesk, and Recruitment are fully operational, supporting an efficient and streamlined process flow.

Cybersecurity and Data Protection

Sophos Firewall was upgraded during the year to enhance network security. NIST certification is in progress. All IT personnel were trained on updated IT SOPs and security policies.

Way Forward

Following the successful deployment of eLog, ZIM will prioritise LMS and eDMS implementation. A User Access Management system is also planned to consolidate digital governance and ensure secure, role-based access across enterprise systems.

HUMAN RESOURCE

The Company significantly strengthened its Human Resources function, placing a strong emphasis on diversity, inclusion, and the well-being of its workforce. Demonstrating a commitment to building a balanced staff, female representation reached 16.2%. At the leadership level, women account for 8.8% of the 79 senior positions. The Company upholds a strict non-discrimination policy broadened during the year to cover all forms of discrimination and explicitly incorporating provisions under the HIV and AIDS (Prevention and Control) Act, 2017, and the Transgender Persons (Protection of Rights) Act, 2019. Ensuring all employees receive equal opportunities, regardless of age, gender, ethnicity, or physical ability. Furthermore, an HR Risk Management Subcommittee continued to operate actively reviewing and ensuring fairness and transparency in key decisions, such as disciplinary actions, career advancement, and employee recognition.

Engagement, Development, and Safety

In line with its dedication to long-term employee welfare, the Company continued to offer the National Pension Scheme (NPS), thereby enhancing financial security and engagement. HR policies continue to actively promote a performance-driven and collaborative work environment, ensuring employee interests align directly with organisational goals. Workplace safety, remained a priority across all manufacturing units. Enhanced protocols including the mandatory use of Powered Air-Purifying Respirators (PAPRs) in designated high-risk zones. The Internal Complaints Committee (ICC) remained fully active in addressing concerns related to sexual harassment, and the Company maintained a zero-complaint record during the year.

Organisational Growth and Development

FY26 marked a defining chapter in ZIM's organisational evolution, with strategic senior leadership additions including the President of International Business, VP of Quality Assurance, VP of Human Resources, and VP of Purchase alongside meaningful strengthening across Regulatory Affairs, Operations, and Projects & Engineering. The strategic expansion of the technical team has also been crucial in strengthening customer service capabilities and driving overall efficiency. The Company actively fosters employee engagement through various initiatives, including cultural events, team-building activities, wellness programmes, and employee recognition platforms, all designed to build morale, support personal development, and promote collaboration. By encouraging open communication and cross-functional participation, the Company successfully cultivates a strong sense of belonging and shared purpose. As of 31st March, 2026, the Company's total workforce stood at 632 employees, with 87 employees (14%) based outside Maharashtra reflecting a dynamic team aligned with its long-term vision.

Further to explore our commitment to employee development and well-being, please refer to the 'Our Employees' chapter included in the ESG section within this Annual Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Strong Internal Controls & Risk Management Framework

The Company operates under a comprehensive internal control system meticulously aligned with its operational scale, complexity, and strategic objectives. This structure rests on a foundation of robust risk management, financial discipline, internal audit practices, and sound corporate governance. The Company has implemented well-defined policies across financial, operational, and compliance domains to ensure overall efficiency and regulatory adherence. The framework is specifically designed to provide reasonable assurance regarding the following six key areas:

1. Adherence to all applicable laws and regulations.
2. Accuracy and completeness of financial and accounting records.
3. Timely preparation of reliable financial reports.

4. Operational effectiveness and efficiency.
5. Safeguarding of assets against unauthorised access or misuse.
6. Early detection and prevention of fraud and errors.

Proactive Risk Mitigation & Safety Enhancements

ZIM employs a preventive approach to safety and risk management. This includes rolling out enhanced safety protocols across all manufacturing units, including the continued deployment of intrinsically safe Powered Air-Purifying Respirators (PAPRs) in high-risk operational zones. Both preventive and detective controls are actively maintained to identify and address potential risks. A formally structured Whistle-Blower Policy empowers directors, employees, and stakeholders to report concerns confidentially. These reports are formally reviewed by the Audit Committee and the Board to ensure appropriate and timely action is taken.

Internal Audit Mechanism

Internal audits are executed through close coordination between the Management and Internal Auditors. The scope of these audits is extensive, including a thorough evaluation of business processes, risk management practices, regulatory compliance, and Internal Financial Controls (IFC), as stipulated by the Companies Act, 2013. The Audit Committee and the Board approve a structured internal audit plan annually, which is executed quarterly. Key observations and action items from previous audits are reviewed regularly to facilitate continuous improvement. Management also engages in frequent discussions with the Internal Auditors to implement enhancements across all systems and processes.

Ongoing Evaluation & Governance

Acknowledging the inherent limitations of any internal control system, ZIM maintains a dynamic and responsive approach to control enhancements. The Audit Committee and Risk Management Committee regularly assess audit outcomes, recommend structural improvements, and refine the Company's internal control environment. This ensures strengthened operational resilience and effective business continuity.

CAUTIONARY STATEMENT

This document contains forward-looking statements regarding anticipated future events and the financial and operational outcomes of ZIM Laboratories Limited. By their nature, such statements require the Company to make certain assumptions and are subject to inherent risks and uncertainties. There is a material risk that the assumptions, predictions, and other forward-looking statements contained herein may not prove to be accurate. Readers are advised to exercise caution and not place undue reliance on these forward-looking statements, as various factors could lead to actual results and events differing materially from those expressed.

Board's Report

The Board of Directors of our Company has pleasure in presenting the 42nd Annual Report pursuant to Section 134(3) of the Companies Act, 2013, comprising the prescribed particulars and information as per the Companies (Management and Administration) Rules, 2014, and the Companies (Accounts) Rules, 2014, in respect of the year ended 31st March, 2026, as follows:

a) Number of Meetings of the Board : 11

b) Directors' Responsibility Statement:

Pursuant to Section 134 (5) of the Companies Act, 2013 (Act) our Directors hereby state that:

i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with a proper explanation relating to material departures.

ii) The directors had selected such accounting policies, applied them consistently, and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.

iv) The directors had prepared the annual accounts on a going-concern basis.

v) The directors have laid down internal financial controls to be followed by the company, and such internal financial controls are adequate and are operating effectively.

vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws, and that such systems were adequate and operating effectively.

c) Declaration by Independent Directors under Sub-section (6) of Section 149:

The company has received the necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) Nomination and Remuneration Policy:

The criteria laid down in the Companies Act, 2013 and the Rules framed thereunder are complied with while appointing the Directors. For appointment of an Independent Director, the independence criteria defined in Section 149(6) of the Act, and Regulation 16(1)(b) of the SEBI Listing Regulations are also considered. The Nomination and Remuneration Policy has been formulated and approved by the Nomination and Remuneration Committee and Board of Directors in accordance with Section 178(3) of the Act and Regulation 19(4) of the SEBI (LODR) Regulations, and the same is available on the website of the company at https://www.zimlab.in/investor-reports-policies.

e) Explanations or comments on a qualification/ reservation/adverse-remark/disclaimer made by:

1. Statutory Auditor: Not applicable since there is no qualification, reservation, adverse remark, or disclaimer by the auditor.

2. Secretarial Auditor: Not applicable since there is no qualification, reservation, adverse remark, or disclaimer by the auditor.

f) Reporting of Frauds by Auditors :

None of the Auditors of the Company has identified and reported any fraud as specified under the second proviso of Section 143(12) of the Act.

g) Particulars of loans, guarantees, or investments under Section 186:

a) Loan : NIL

b) Guarantee : NIL

c) Investment : ₹ 381.20 lakhs

Details of Loans, guarantees and investments covered under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31 March 2026, also forms part of the Notes to the financial statements provided in the Annual Report.

h) Particulars of contracts or arrangements with related parties pursuant to Section 188(1)

During the year, there were no transactions with related parties that conflicted with the interests of the company. All transactions entered into by the company with related parties during the financial year were in the ordinary course of business and on an arm's length basis. Statements of transactions with related parties are periodically placed before the Audit Committee and are approved by the committee. Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form **AOC–2** is appended herewith as **Annexure III** to the Board's Report.

The members can refer to policy on related party transaction on the website of the Company at https://www.zimlab.in/investors/policies .

i) Annual Return:

The Annual Return of the Company as on 31st March, 2026, in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://www.zimlab.in/investors/annual-reports.

j) The state of Company's affairs:

This part has been covered under the Management Discussion & Analysis Report, which forms part of the Annual Report.

k) The amount proposed to be carried to reserve : NIL

l) The amount of dividend payment recommended : NIL

m) Material changes and commitments, if any, affecting the financial position of the company, which has occurred between the end of the financial year and the date of the report : NIL

n) Conservation of energy, technology absorption, foreign exchange earnings and outgo: -

A. Energy Conservation:

Zim remains committed to the continual improvement of energy performance and the conservation of energy across all its operations. A dedicated team actively works to ensure the efficient utilization of energy resources through systematic monitoring and control mechanisms. Energy consumption is closely tracked at both equipment and plant levels, with regular benchmarking exercises conducted to identify improvement opportunities.

Periodic energy gap assessments are carried out to evaluate current performance against defined standards, enabling the identification and implementation of targeted energy conservation projects. These initiatives are focused on optimizing operational efficiency, reducing energy intensity, and minimizing environmental impact.

The ongoing energy conservation measures are expected to significantly reduce carbon emissions and contribute to the organization's broader decarbonization goals, reinforcing its commitment to sustainable and responsible operations.

The steps taken or impact on conservation of energy are:

- To reduce energy losses, the company has replaced old chilled water pipelines with new, efficient pipelines, resulting in approximately 10% energy savings due to improved cooling efficiency.
- The company has upgraded from a 1500 KVA transformer to a 2500 KVA transformer, consolidating the electrical load onto a single transformer, thereby improving load management and reducing operational inefficiencies.
- A Zero Liquid Discharge (ZLD) plant with a capacity of 150 KLD has been installed, treating wastewater and generating an average of 100 KL/day of recycled water, which is utilized for utility purposes, reducing fresh water consumption.
- Optimization (atomization) of the recycled water distribution pipeline network has been carried out, minimizing water losses.
- Condensate recovery systems are implemented, and recovered hot water is reused as boiler feed, reducing fresh water usage and lowering boiler fuel consumption.
- Proper insulation and cladding have been installed on all chilled water pipelines to enhance cooling efficiency and minimize energy losses.
- Automation and interlocking of equipment to avoid idle running and ensure operation only when required.
- Implementation of a Testo Monitoring System for real-time tracking of area temperature and relative humidity, enabling data-driven decision-making and prompt corrective actions.

Steps taken by the Company for utilising alternate sources of energy

- As part of its commitment towards clean energy adoption, the Company has deployed electric E-kart for internal transport activities. This has led to a reduction in diesel/petrol consumption, minimized greenhouse gas emissions, and promoted eco-friendly mobility within the facility.
- Various initiatives are currently under evaluation to adopt sustainable and renewable energy solutions in operations.
- The capital investment on energy conservation equipment: NIL

B. Technology Absorption:

Efforts made towards technology absorption:

At ZIM Laboratories, we are committed to continuous innovation and the absorption of cutting-edge technologies to drive growth and enhance our product offerings. The following outlines our key efforts in this area:

- ZIM operates an independent R&D Centre, recognized by the Department of Scientific and Industrial Research (DSIR). Our R&D team specializes in developing differentiated generics, focusing on Pre-Formulation Intermediates (PFI) and Finished Formulations (FF) using proprietary, non-infringing technology platforms for oral solid dosage forms.
- We are dedicated to advancing drug delivery systems through innovations such as electrospun nanofiber technology for controlled drug delivery, tissue engineering, and wound healing.
- Our R&D efforts also focus on improving manufacturing processes, including exploration of Multi-layer film technology for oral solid dosage forms and pioneering 2D printing on Oral Thin Films (OTF) for flexible dosage forms.
- We have invested in proprietary, non-infringing technology platforms, such as Thinoral® technology, which enable the creation of unique and effective products without infringing on existing patents.
- To support our technology absorption efforts, ZIM has made significant investments in recruiting skilled and experienced personnel and integrating modern, state-of-the-art equipment, ensuring our R&D capabilities remain at the forefront of innovation.
- ZIM Laboratories Limited maintains a global footprint through subsidiaries in key markets including Europe, North America, Middle East, UAE, Australia, and India. , We have also established a Scientific Office in the UAE to facilitate registration, marketing of our Pharma and Nutraceutical products, and expansion of operations in the MENA region.
- Our subsidiaries and Scientific Office enable seamless transfer of knowledge, practices, and innovative solutions across borders, leveraging local insights and ensuring alignment with specific regulatory requirements and market needs in each region.
- ZIM is in process of incorporating a subsidiary in Chile, LATAM for expansion of its Business.

Derived Benefits such as Product Improvement, Cost Reduction, Product Development or Import Substitution:

- In FY26, ZIM completed 14 NIP filings, 29 ODS filings, and 14 FF generic filings to various MOH across Pharmerging, and RoW markets.
- In FY26, ZIM received 5 NIP, 25 ODS and 4 FF Market Authorisations from MOH.
- In November 2024, ZIM's Scientific Office was established in the Middle East, complementing ongoing regulatory filings for innovative products through our Australian Subsidiary ZIMTAS Pty Ltd.
- ZIM's subsidiary ZIMTAS PTY LTD, received Marketing Authorisation for "Rizatriptan Benzoate Orally Disintegrating Strips" and "Tamsulosin Hydrochloride and Dutasteride Capsules" in Australia.
- ZIM has also collaborated with Globalpharma Co. (L.L.C.) to Commercialize Oral Thin Film Products in the GCC Region.
- ZIM has received Permission to manufacture and market FDC of Naproxen Delayed Release and Esomeprazole capsule (375mg/500mg + 20mg/ 20mg) received from the Central Drugs Standard Control Organisation (CDSCO) - Directorate General of Health Services.
- In line with the global expansion strategy, ZIM entered into strategic collaborations, including a partnership with a local UAE company to scale our Oral Thin Films (OTF) footprint across the GCC region.
- The R&D team comprises of 101 members, including 2 PhDs and 85 Postgraduates.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :

a. The details of technology imported : NIL

b. The year of import: N.A.

c. Whether the technology has been fully absorbed: N.A.

d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

The expenditure incurred on Research and Development:

i) Revenue expenses : ₹ 1,994.08 Lakhs

ii) Capital expenses : ₹ 36.63 Lakhs

C. Foreign Exchange earnings and outgo :

i) Foreign exchange earned : ₹ 32,999 Lakhs

ii) Expenditure in foreign exchange : ₹ 6,128 Lakhs

o) Risk Management Policy :

This part has been covered under the **Management Discussion & Analysis Report**, which forms part of the Annual Report.

p) Corporate Social Responsibility (CSR) :

The Corporate Social Responsibility policy approved by the Board at its meeting held on 19th September, 2025 is available on the website of the company at https://www.zimlab.in/investor-reports-policies .

The policy, inter alia, covers the following:

- Guiding principles for selection, implementation, and monitoring of CSR activities, as well as the formulation of the Annual Action Plan.
- Roles and Responsibilities of the CSR Committee & Board.
- CSR projects or programs that include focus areas such as Education, Sanitation, Healthcare, Women's Empowerment, and Environment Conservation.
- Approval Process for CSR Projects and Expenditure.
- Implementation and Monitoring of CSR Activities.

The Composition of Corporate Social Responsibility Committee during the Financial Year 2025-26 was as follows:

(i)	Dr. Kamlesh Shende	:	Chairman
(ii)	Mr. Padmakar Joshi	:	Member
(iii)	Mr. Niraj Dhadiwal	:	Member

The Annual Report on CSR Activities is annexed as **Annexure–I** to the Board's Report.

q) Board Evaluation:

Pursuant to the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, an annual evaluation was carried out by the Board of its own performance as well as that of its committees and individual Directors. The evaluation was done by the Board after seeking input from all Directors, inter alia covering different aspects, viz., composition and structure of the Board, attendance, including participation of the Directors at the Board and Committee meetings, observance of governance, quality of deliberation, and effectiveness of the procedures adopted by the Board.

In evaluating the performance of the individual directors, criteria such as qualification, knowledge, attendance at meetings and participation in long-term strategic planning, leadership qualities, responsibilities assumed, interpersonal relationships, and analytical decision-making abilities were taken into consideration. In compliance with regulation 17(10) of the listing regulations, the Board carried out performance evaluations of Independent Directors without the participation of the Directors being evaluated.

The Independent Directors evaluated the performance of the Chairman and Managing Director. The evaluation process has been explained in the Corporate Governance Report. The Board reviewed the evaluation results as collated by the Nomination and Remuneration Committee

r) Financial Highlights:

Particulars	Standalone (₹ In Lakhs)		Consolidated (₹ In Lakhs)	
	FY 2026	FY 2025	FY 2026	FY 2025
Revenue	37,048.15	37,563.55	37,440.01	37,903.10
Other Income	1,138.99	562.09	1138.30	578.41
Total Income	38,187.14	38,125.64	38,578.31	38,481.51
Operating expenditures	34,090.15	33,236.71	34,439.00	33,530.41
Profit before interest, depreciation and tax	4,096.99	4,888.93	4,139.31	4,951.10
Less: Finance costs	1,320.23	1,138.58	1,320.23	1,138.82
Depreciation and amortization	1,936.74	1,989.14	1,997.80	2,011.34
Profit/(Loss) before exceptional item and tax	840.02	1,761.21	821.28	1,800.94
Exceptional Items- loss	-	-	-	-
Profit/(Loss) before tax	840.02	1,761.21	821.28	1,800.94
Tax expense	243.50	586.81	237.47	584.44
Profit/(Loss) after tax	596.52	1,174.40	583.81	1,216.50
Opening balance in Retained Earnings	16,393.98	15,273.42	16,905.83	15,743.15
Profit available for appropriation	16,990.50	16,447.82	17,489.64	16,959.67
Less: Appropriations	-	-	-	-
Dividend	-	-	-	-
Dividend distribution tax	-	-	-	-
Transfer from other comprehensive income	(9.82)	(53.84)	(9.82)	(53.84)
Closing balance in Retained Earnings	16,980.68	16,393.98	17,479.82	16,905.83

s) Change in nature of business, if any: NIL

t) The details of Directors or Key Managerial Personnel who were appointed or have resigned:

Details of Directors appointed:

The Board of Directors on the recommendation of Nomination & Remuneration Committee, in its meeting held on 28th March, 2025 have reappointed Dr. Kamlesh Shende (DIN: 09537666) and appointed Mr. Ashok Bhatia (DIN: 02090239) as the Independent Director of the Company respectively for a period of three years commencing from 01st April, 2025 to 31st March, 2028 subject to approval of shareholders. The Shareholders in the annual General Meeting held on 27th June 2025 have passed the Special Resolution for their appointment / reappointment.

The Board of Directors on the recommendation of Nomination & Remuneration Committee, in its meeting held on 11th September, 2025 have reappointed Mr. Niraj Dhadiwal (DIN: 02007428) and Mr. Prakash Sapkal (DIN: 02007385) as Whole-Time Directors of the Company for a period of two years commencing from 01st October, 2025 to 30th September, 2027 subject to approval of shareholders. The Shareholders vide Postal Ballot dated 13th November, 2025 have passed the Special Resolution for their reappointment.

Details of Directors ceased: NIL

Details of Directors resigned during the year: NIL

Details of Key Managerial Personnel appointed or resigned during the year: NIL

Details of Director Retiring by Rotation :

Mr. Zulfiquar Kamal, Whole-time Director (DIN: 01786763), who retires by rotation at the ensuing Annual General Meeting and, being willing and eligible, has offered himself for re-appointment. A resolution seeking Shareholders' approval for his re-appointment along with other required details forms part of the Notice.

u) Statement regarding the opinion of the Board with regard to the integrity, expertise, and experience (including proficiency) of the Independent Directors appointed during the year:

In the Board's opinion, the Independent Director appointed during the year on the Board of the Company is a person of high repute and integrity who possess relevant expertise and experience in their respective fields.

v) Name of Companies which have become subsidiaries or ceased to be its Subsidiaries, joint ventures or associate companies, during the year:

The Company had one step-down subsidiary, ZIM Laboratories Limited Middle East DMCC, Dubai, which ceased its operations and accordingly dissolved on 23rd February, 2026.

The Board of Directors in their meeting held on 11th February, 2026 have considered and approved the Incorporation of Wholly owned subsidiary of the Company in Chile, LATAM region and the process of incorporation is under process.

w) Details relating to deposits covered under Chapter V of the Act: NIL

x) The details of deposits that are not in compliance with the requirements of Chapter V of the Act are: The company has not accepted any deposits during the year.

y) The details of significant and material orders passed by the regulators, courts, or tribunals impacting the going concern status and the company's operations in the future: NIL

z) The details in respect of the adequacy of Internal Financial Controls with reference to the financial statements:

The details of Internal Financial Controls are separately covered under the **Management Discussion & Analysis Report** which forms part of the Annual Report.

aa) Disclosure under Section 148(1) of the Companies Act, 2013:

The Company has maintained proper books of accounts as required pursuant to the Rules made by the Central Government for the maintenance of Cost records under sub-section (1) of section 148 of the Act in respect of Company's products.

ab) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

The company has complied with provisions relating to the constitution of an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, and trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2025-26:

No. of complaints filed : 1

No. of complaints disposed off : 1

Number of complaints pending for more than ninety days : NIL

Number of Complaints pending as on the end of the year : NIL

ac) Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016, during the year along with their status as at the end of the financial year:

Not Applicable.

ad) Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:

Not Applicable.

ae) Details of the Employee Stock Option Scheme as of 31st March, 2026:

The ZIM Laboratories Employee Stock Option Scheme 2023, approved by the shareholders, is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"). The disclosure required under the SEBI SBEB Regulations and a certificate from the Secretarial Auditors, confirming implementation of the Plan in accordance with SEBI SBEB Regulations has been hosted on the website of the Company at https://www.zimlab.in/investor-reports-general-meeting .

The Company has obtained Shareholders' approval on 28th January, 2024 through a Postal Ballot for the 'ZIM Laboratories Employee Stock Option Scheme 2023' and the Approval of the grant of employee stock options to the eligible employees of the subsidiary company(ies) under the 'ZIM Laboratories Employee Stock Option Scheme 2023'. During the previous year, 6,87,257 options were granted to the eligible employees under the Scheme. During the current financial year 10,000 options were exercised by the eligible employees under the Scheme.

af) Report on the performance and financial position of subsidiaries, viz.:

1. ZIM Laboratories FZE, Sharjah
2. ZIM Health Technologies Limited, India
3. ZIM Thinorals Private Limited, India
4. SIA ZIM Laboratories Limited, Latvia
5. ZIMTAS PTY LTD, Australia
6. ZIM Laboratories Middle East DMCC, UAE, Step Down Subsidiary
7. ZIM SCIENTIFIC OFFICE L.L.C, Dubai, Step Down Subsidiary

In compliance with the first proviso to Section 129(3) of the Companies Act, 2013 and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, salient features of the financial statements, performance, and financial position of each subsidiary is given in Form **AOC-I** as **Annexure VI**.

The consolidated financial statements presented in this Annual Report includes financial results of the subsidiary companies. Copies of the financial statements of the subsidiary companies will be available on the Company's website www.zimlab.in

ag)

In compliance with Regulation 34 read with Schedule V of the Listing Regulations, a Report on Corporate Governance for the year under review is annexed as **Annexure IV** to this report.

ah)

The Secretarial Audit Report for the financial year ended 31st March, 2026 is annexed as **Annexure II** to this report.ai)

ai) Particulars of Employees and Related Disclosures:

The statement containing particulars in terms of Section 197(12) of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report and is annexed as **Annexure V**.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in Rules 5(2) and 5(3) of the aforesaid rules forms part of this report. However, in terms of the first provision of Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof such members may write to the Company Secretary, whereupon a copy would be sent.

(aj) Compliance of Applicable Secretarial Standards:

The Company has complied with the applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

(ak) Compliance of the Provisions relating to The Maternity Benefit Act, 1961:

The Company is in compliance with all applicable provisions of the Maternity Benefit Act, 1961.

(al) Acknowledgements

We take this opportunity to thank our employees for their dedicated service and contribution to the Company. We also thank our Bankers, business associates, and other stakeholders for their continued support to the Company.

For and on behalf of the Board of Directors

(Dr. Anwar Siraj Daud)
Chairman
DIN: 00023529

Place: Nagpur
Date: 19th May, 2026

Annexure – I

The Annual Report on CSR Activities for the Financial Year 2025-26

1. Brief outline on CSR Policy of the Company:

ZIM Laboratories Limited is committed to making a positive impact on society through its Corporate Social Responsibility (CSR) initiatives. The Company's CSR policy defines its approach to supporting community welfare and sustainable development, in alignment with its core values and business ethics.

The key focus areas of the Company's CSR efforts include:

Healthcare & Sanitation : Improving access to healthcare and sanitation facilities, with an emphasis on community health and hygiene.

Education : Supporting educational initiatives for under privileged students that foster learning opportunities.

Women Empowerment : Promoting gender equality by supporting women's economic, social, and educational empowerment.

Environment Conservation : Implementing projects aimed at preserving and improving the environment through sustainable practices.

The CSR policy provides a framework for identifying, executing, and monitoring CSR projects, ensuring they align with the Company's values and address the specific needs of local communities. ZIM Laboratories Limited is committed to making meaningful contributions at the grassroots level, thereby ensuring long-term positive effects on the communities it serves.

2. Composition of CSR Committee:

Sr. No.	Name of Director Designation / Nature of Directorship	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Kamlesh Shende	Chairman, Independent Director	2	2
2	Mr. Padmakar Joshi	Member, Independent Director	2	2
3	Mr. Niraj Dhadiwal	Member, Whole-Time Director	2	2

3. The web link(s) where Composition of the CSR Committee, CSR Policy, and CSR Projects approved by the Board are disclosed on the website of the company. : https://www.zimlab.in/investor-reports-policies

4. The executive summary, along with web - link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. : Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135. : ₹ 2,550.15 Lakhs

(b) Two percent of the average net profit of the company as per sub-section (5) of Section 135. : ₹ 51.00 Lakhs

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 51.00 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects) : ₹ 53.49 Lakhs

(b) Amount spent in Administrative overheads : NIL

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 53.49 Lakhs

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
53,48,753	Not Applicable				

* Note : For the F.Y. 2025-26, the Company has not undertaken any ongoing projects under CSR.

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

Sr. No.	Particular	Amount (in ₹)
(i)	*Two percent of the average net profit of the company as per sub-section (5) of Section 135	51,00,000
(ii)	Total amount spent for the Financial Year	53,48,753
(iii)	Excess amount spent for the Financial Year [(ii) - (i)]	2,48,753
(iv)	Surplus arising out of the CSR projects, programmes, or activities of the previous Financial Years, if any	0
(v)	Amount available for set-off in succeeding Financial Years [(iii)-(iv)]	2,48,753

*Note : For calculation of amount at (f)(i) above, please refer to calculation mentioned at serial no. 5 to this annexure.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer	
Not Applicable							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : No

If yes, enter the number of Capital assets created/acquired : **Not Applicable.**

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset (s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable.	Name	Registered Address
Not Applicable							

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

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

For and on behalf of the Board of Directors

Mr. Zulfiquar Kamal
Director (Finance)
DIN : 01786763

Dr. Kamlesh Shende
Chairman (CSR Committee)
DIN: 09537666

Place: Nagpur
Date: 19th May, 2026

Annexure - II

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ZIM Laboratories Limited
Sadoday Gyan (Ground Floor),
Opp. NADT, Nelson Square,
Nagpur – 440013.

We have conducted the Secretarial Audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by **ZIM Laboratories Limited** having **CIN: - L99999MH1984PLC032172** (hereinafter called "the Company") for the Financial Year ended March 31, 2026 (the "Audit Period"/ "Period under review").

We have conducted the Secretarial Audit in a manner that provided us with a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) Our **verification** of the Company's books, papers, minutes books, copies of various records, copies of minutes of the meetings of the Board of Directors of the Company (the Board) and Committees thereof, General meetings, forms and returns filed and records provided and other records maintained by the Company and furnished to us in relation to all compliance-related actions taken by the Company during the Financial Year 2025-26 as well as before the day of issue of this report;

(ii) **Compliance certificates** confirming compliance with corporate laws as applicable to the Company as given by the Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Company's Audit Committee / Board of Directors; and

(iii) **Representations** made, documents produced and information provided by the Company, its officers and authorized representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the Audit Period covering the Financial Year ended March 31, 2026 the Company has:

(i) Complied with the statutory provisions listed hereunder; and

(ii) Board processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.

1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

We further report that:

1.1 We have examined copies of the books, papers, minutes books, forms and returns filed and other records maintained by the Company, returns filed and compliance related action taken by the Company, and other records maintained and furnished to us, during the period under review, according to the applicable provisions / clauses of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

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

(iv) Secretarial Standards relating to Board Meetings, Committee meetings and General Meetings issued by The Institute of Company Secretaries of India ("Secretarial Standards") and notified by the Central Government under Section 118 (10) of the Act which have mandatory application to the Company;

(v) Foreign Exchange Management Act ("FEMA"), 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")

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

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

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

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

**The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirement of Regulation 3(5) and 3(6) of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.*

1.2 During the period under review, and also considering the compliance related action taken by the Company after March 31, 2026, but before the date of issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

(i) Generally Complied with the applicable provisions / clauses of:

(a) The Acts, Regulations and rules mentioned under paragraph 1.1; and

(b) The Secretarial Standards on meetings of Board of Directors and Committees constituted by it (SS-1) and on General Meetings (SS-2) mentioned under paragraph 1.1 (iv) above, which are applicable to the meetings of the Board and its Committees held during the year, the 41st Annual General Meeting (AGM) held on June 27, 2025, Extra ordinary General meeting held on February 16, 2026, Resolutions passed by Postal Ballot passed on November 13, 2025 and the circular resolutions passed by the Board. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conferencing for the Board/Committee meeting(s) held during the year, were verified based on the minutes of the meetings provided by the Company.

(c) During the year under review, the Company has received one complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the same was resolved. There are no pending complaints at the end of the year.

(d) The Company has revised all its policies to align them with the amended provisions of the SEBI(LODR)Regulations, 2015.

1.3 During the audit period under review, provisions of the following Acts /Regulations were not applicable to the Company:

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

(ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

1.4 The Management has identified and confirmed that the following laws are specifically applicable to the Company and we have relied on the confirmation issued by the Company as regards compliances under the below mentioned Statutes.:

a) Narcotic Drug and Psychotropic Substance Act 1985,

b) The Drugs and Cosmetics Act, 1940,

c) Food Safety and Standard Regulation 2016.

2. BOARD PROCESSES:

We further report that:

2.1 The Board of Directors of the Company as on March 31, 2026 comprised of:

(i) Dr. Anwar Siraj Daud (DIN: 00023529) Chairman and Managing Director (Promoter of the Company)

(ii) Mr. Zulfiquar Murtaza Kamal (DIN: 01786763) Whole-time Executive Director (Promoter of the Company)

(iii) Mr. Niraj Pukhraj Dhadiwal (DIN: 02007428) Whole-time Executive Director

(iv) Mr. Prakash Pralahadrao Sapkal (DIN: 02007385) Whole-time Executive Director

(v) Ms. Kavita Loya (DIN: 07943519) Non-Executive - Independent Director

(vi) Mr. Padmakar Shrinivas Joshi (DIN: 07944709) Non-Executive - Independent Director

(vii) Dr. Kamlesh Bajirao Shende (DIN: 09537666) Non-Executive - Independent Director

(viii) Mr. Ashok Bhatia (DIN: 02090239) Non-Executive - Independent Director

The constitution of the Board is in line with the requirements prescribed under the SEBI(LODR) Regulations, 2015.

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the Audit Period were carried out in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015:

1. Re-appointment of Mr. Zulfiquar Murtaza Kamal (DIN: 01786763), as Whole-time Director of the Company who was liable to retire by rotation, was approved at the 41st Annual General Meeting held on June 27, 2025.
2. Re-appointment of Dr. Kamlesh Bajirao Shende (DIN: 09537666), as a Non-Executive Independent Director of the Company for a second term of three (3) years w.e.f. April 01, 2025 to March 31, 2028, which was duly approved by the Members at the 41st Annual General Meeting held on June 27, 2025.
3. Cessation of office of Dr. Kakasaheb Mahadik (DIN: 08688418), as a Non-Executive Independent Director of the Company w.e.f. April 01, 2025, upon completion of his tenure.
4. Appointment of Mr. Ashok Bhatia (DIN: 02090239), as Additional Non-Executive Independent Director of the Company by the Board of Directors at its meeting held on March 28, 2025 for a period of three (3) years w.e.f. April 01, 2025 to March 31, 2028, based on the recommendation of the Nomination and Remuneration Committee which was duly approved by the Members at the Annual General Meeting held on June 27, 2025.
5. Re-appointment of Mr. Niraj Dhadiwal (DIN: 02007428) as Whole-Time Director of the Company, whose tenure concluded on September 30, 2025, for a period of two years with effect from October 01, 2025, has been duly approved by the Board of Directors on September 19, 2025 based on the recommendation of the Nomination and Remuneration Committee and by the members through postal ballot on November 13, 2025.
6. Re-appointment of Mr. Prakash Sapkal (DIN: 02007385) as Whole-Time Director of the Company, whose tenure concluded on September 30, 2025, for a period of two years with effect from October 01, 2025, has been duly approved by the Board of Directors on September 19, 2025 based on the recommendation of the Nomination and Remuneration Committee and by the members through postal ballot on November 13, 2025.

2.3 Adequate notice(s) with Agenda and the detailed notes to Agenda were given at least seven days before the meetings to all the directors to enable them to plan their schedule for the meetings of the Board and the Committees constituted by the Board, and where the same were given at a notice period shorter than seven days, at least one Independent Director was present at the meeting, as required under Section 173(3) of the Companies Act, 2013 and Secretarial Standards.

2.4 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.

2.5 We note from the minutes examined that, at the Board meetings held during the year:

(i) Decisions were taken through the majority of the Board; and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

3. COMPLIANCE MECHANISM

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

4. SPECIFIC EVENTS / ACTIONS

4.1 During the year under review, the following specific events/ actions, having a major bearing on the Company's affairs took place: -

a. The Company has completed the process of investment of Euro 1,50,000 and Euro 3,00,000 in the equity shares of SIA ZIM Laboratories Limited on May 08, 2025 and June 19, 2025 respectively.

b. ZIM Laboratories FZE [Sharjah, UAE] Wholly Owned Subsidiary of the Company, has completed the process of investment of AED 4,00,000 in the share capital of ZIM Scientific Office LLC [UAE] Step-down Subsidiary of the Company on July 11, 2025.

c. Approved investment of up to AED 4,50,000 in the share capital of ZIM Scientific Office L.L.C. [UAE] Step-down Subsidiary of the Company, by ZIM Laboratories FZE [Sharjah UAE] Wholly Owned Subsidiary of the Company.

d. The Board of Directors approved the de-registration of ZIM Laboratories Middle East DMCC, UAE, a step-down subsidiary of the Company, at its meeting held on August 7, 2025. Subsequently, the Dubai Multi Commodities Centre Authority (DMCC Authority) approved the closure (dissolution) of ZIM Laboratories Middle East DMCC ("ZIM DMCC") with effect from February 23, 2026.

e. A demand notice dated December 21, 2017 was issued by the Deputy Commissioner of Income Tax for Assessment Year 2010–11, raising a demand of ₹ 395.95 lakhs. The Company filed an appeal before the Commissioner of Income Tax (Appeals) on January 16, 2018. A stay on the said demand was subsequently granted by the CIT(A) vide order dated January 17, 2022 which still continues.

f. The Board approved the Investment of an amount up to US$ 15,000 for Incorporation of a Wholly Owned Subsidiary in Chile, Latam region in the name and style "ZIM Laboratories SpA" or any other name as suggested, on February 11, 2026.

g. Allotment of 4,764,497 (Forty Seven Lakh Sixty Four Thousand Four Hundred Ninety Seven) fully paid-up equity shares of the Company, each having a face value of ₹ 10/- (Indian Rupees Ten only), by way of a preferential issue on a private placement basis at an issue price of ₹ 73.46/- (Indian Rupees Seventy Three and Paise Forty Six only) per equity share, to Florintree Trinex LLP, a limited liability partnership registered under the Limited Liability Partnership Act, 2008.

h. The Company has made an intimation to the stock exchange on February 11, 2026, regarding a GST Demand Notice dated December 30, 2025, issued by the Office of the Deputy Commissioner of State Tax, Nagpur, Maharashtra, amounting to ₹ 2,19,64,841/- for the financial year 2021–22. The demand comprises GST of ₹ 1,68,50,472/-, interest of ₹ 34,29,322/-, and penalty of ₹ 16,85,047/-. The Company has stated that it is taking appropriate steps to assess the demand, including filing an appeal with the concerned authorities.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: -7353/2025]

Avinash Bagul
Partner
FCS No.: -5578
COP No.: - 19862
UDIN: - F005578H000398401

Place: Mumbai
Date: 19th May, 2026

Annexure A

to the Secretarial Audit Report for the Financial Year ended March 31, 2026

To,
The Members,
ZIM Laboratories Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. We have considered compliance related actions taken by the company in compliance with law.

4. We have verified the secretarial records furnished to us to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: -7353/2025]

Avinash Bagul
Partner
FCS No.: -5578
COP No.: - 19862
UDIN: - F005578H000398401

Place: Mumbai
Date: 19th May, 2026

Annexure – III

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts or arrangements entered by the Company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under the fourth proviso there:

1	Details of contracts, arrangements, or transac-tions not at arm's length basis	: NIL
2	Details of material contracts, arrangements, or transactions (i.e., exceeding ten percent of the annual consolidated turnover as per the last audited financial statements) at arm's length basis.	: NIL

Note: All related party transactions are benchmarked for arm's length and approved by the Audit Committee. The Company has not entered into any material contract / arrangement / transaction with its related parties during FY 2025-26.

For and on behalf of the Board of Directors

(Anwar Siraj Daud)
Chairman
DIN: 00023529

Place: Nagpur
Date: 19th May, 2026

Annexure - IV

CORPORATE GOVERNANCE REPORT

1) Company's philosophy on Code of Governance :-

At ZIM Laboratories Limited, we believe that strong corporate governance is fundamental to fostering trust, ensuring accountability, and supporting sustainable long-term growth. Our governance framework is guided by the principles of integrity, transparency, and proactive stakeholder engagement. We remain committed to conducting our business in a responsible and compliant manner, ensuring that all decisions are made with fairness and in the best interests of the organization and its stakeholders.

Our Board and management work collaboratively to ensure oversight, risk management, and adherence to applicable laws and regulations. We also emphasize timely and accurate disclosures, open communication, and responsiveness to stakeholder concerns.

Through these practices, we aim to safeguard the interests of all stakeholders, including members, creditors, clients, employees, and the wider community, while reinforcing our commitment to sustainable value creation and corporate responsibility.

A report on compliance with corporate governance principles as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR") is given below.

2) Board of Directors :

(i) The composition of the Board of your Company has an optimum mix of Executive and Non-Executive Directors and is in conformity with Regulation 17 of the SEBI (LODR) Regulations read with Sections 149 and 152 of the Companies Act, 2013. The Board presently comprise of eight members as mentioned below :

Name	DIN No.	Category
Dr. Anwar Siraj Daud, Chairman	00023529	Promoter and Managing Director
Mr. Zulfiquar Kamal	01786763	Promoter and Executive Director
Mr. Niraj Dhadiwal	02007428	Executive Director
Mr. Prakash Sapkal	02007385	Executive Director
Mrs. Kavita Loya	07943519	Independent Director
Mr. Padmakar Joshi	07944709	Independent Director
Dr. Kamlesh Shende	09537666	Independent Director
Mr. Ashok Bhatia	02090239	Independent Director

Notes :

- The Chairman of the Board is Executive Director of the Company.
- Mr. Ashok Bhatia (DIN: 02090239) was appointed as a Non-Executive Independent Director with effect from 1st April 2025, and shareholders' approval for his regularisation was obtained on 27th June,2025.
- Dr. Kakasaheb Mahadik (DIN: 08688418) completed his tenure and ceased to be a Independent Director of the Company effective from 01st April, 2025.

(ii) Eleven Board Meetings were held during the year on 28.04.2025, 20.05.2025, 15.07.2025, 07.08.2025, 19.09.2025, 12.11.2025, 19.01.2026, 21.01.2026, 11.02.2026, 13.03.2026 and 30.03.2026 and 41st Annual General Meeting was held on 27.06.2025.

(iii) The attendance, number of meetings attended and their directorship in other public companies of the Board of Directors as on 31.03.2026 are as under:

Name	No. of Board meeting held	No. of Board Meeting Attended	Whether attended last AGM held on 27.06.2025	No. of directorship in other public limited companies	Committee positions in other companies		Directorship in other listed entity (Category of Directorship)
					Chairman	Member	
Dr. Anwar Siraj Daud	11	11	Yes	1	NIL	NIL	NIL
Mr. Zulfiquar Kamal	11	11	Yes	1	NIL	NIL	NIL
Mr. Niraj Dhadiwal	11	10	Yes	NIL	NIL	NIL	NIL
Mr. Prakash Sapkal	11	07	Yes	NIL	NIL	NIL	NIL
Ms. Kavita Loya	11	11	Yes	NIL	NIL	NIL	NIL
Mr. Padmakar Joshi	11	11	Yes	NIL	NIL	NIL	NIL
Dr. Kamlesh Shende	11	11	Yes	NIL	NIL	NIL	NIL
Mr. Ashok Bhatia	11	10	Yes	1	NIL	NIL	*1

*Mr. Ashok Bhatia holds position of Independent Director at Shalby Limited, a listed entity bearing CIN: L85110GJ2004PLC044667.

(iv) No Director is a relative of another Director.

(v) Number of shares held by Non-Executive Director.

Sr. No.	Name of Non-Executive Director	No. of shares held
1	Mrs. Kavita Loya (Joint Holder)	3,600
2	Mr. Ashok Bhatia	4,000

(vi) The Company has not issued any convertible instruments.

(vii) The details of the familiarization program imparted to Independent Directors are disclosed under the Investor section on the website of the company at www.zimlab.in weblink : https://www.zimlab.in/investors/corporate-governance

(viii) The Board has identified the following skills/expertise/competencies for the effective functioning of the Company which are currently available with the Board:

(a) **Global Business :** Understanding diverse business environments, economic conditions, cultures, and regulatory frameworks and a broad perspective on global market opportunities.

(b) **Strategy and Planning :** Strategic choices and experience in guiding and leading management teams to make decisions in an unenforceable environment, anticipation of long-term trends in the industry, strong management and leadership in business development.

(c) **Corporate Governance :** Experience in developing and implementing good governance practices, maintaining board and management accountability, protecting stakeholders' interests, and fulfilling responsibilities towards customers, employees, and suppliers while driving good corporate ethics and values.

(d) **General Management** : General Know-how of business management, talent management and development, workplace health & safety.

(e) **Industry Experience :** Significant background and experience in pharmaceuticals sector, science, and technology domain.

(f) **Finance & Accounts :** Proficiency in financial management, financial reporting processes, budgeting, treasury operations, audit, and capital allocation.

(ix) The skills which are currently available with the Directors have been mapped below:

Skills / Area of Expertise	Dr. Anwar Siraj Daud	Mr. Zulfiquar Kamal	Mr. Niraj Dhadiwal	Mr. Prakash Sapkal	Ms. Kavita Loya	Mr. Padmakar Joshi	Dr. Kamlesh Shende	Mr. Ashok Bhatia
Global Business	Yes	Yes	Yes	Yes	Yes	-	-	Yes
Strategy and Planning	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Experience	Yes	Yes	Yes	Yes	-	-	Yes	Yes
Finance & Accounts	Yes	Yes	-	-	Yes	Yes	-	-
Corporate Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
General Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(x) In the opinion of the board, the independent directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

(xi) During the year, no independent director has tendered his/her resignation.

3) Audit Committee :

(i) Brief description of terms of reference:

The powers, role, and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Act read with Regulation 18 and Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee discharges such duties and functions as generally indicated under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) 2015, as well as such other functions as may be specifically assigned to it by the Board from time to time.

(ii) Composition :

Composition of Audit Committee during the Financial Year 2025-26 was as follows :

Sr. No.	Name of Director	Position held
1	Mrs. Kavita Loya	Chairperson
2	Mr. Padmakar Joshi	Member
3	Mr. Zulfiquar Kamal	Member

(iii) Audit Committee Meetings and attendance during the year :

During the year ended 31st March 2026, the Audit Committee meetings were held on 28.04.2025, 20.05.2025, 04.08.2025, 07.08.2025, 11.11.2025, 19.01.2026, 21.01.2026, 11.02.2026 and 30.03.2026.

Sr. No.	Name of the Committee Member	Committee meetings		Attendance at the last Annual General Meeting
		Held during Tenure	Attended	
1	Mrs. Kavita Loya	9	9	Yes
2	Mr. Padmakar Joshi	9	9	Yes
3	Mr. Zulfiquar Kamal	9	9	Yes

- The gap between two meetings did not exceed one hundred and twenty days.
- The Company Secretary acts as Secretary to the Audit Committee.

4) Nomination & Remuneration Committee:

(i) Brief description of terms of reference :

The powers, role, and terms of reference of the Nomination and Remuneration Committee cover the areas contemplated in Section 178 of the Companies Act, 2013, read with Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) 2015, in addition to other terms as may be referred by the Board of Directors. The role includes the formulation of criteria for determining qualifications, positive attributes, and independence of a director; recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel, and other employees; formulating criteria for the evaluation of Independent Directors and the Board; devising a policy on Board diversity; identifying persons qualified to become Directors and who may be appointed in senior management in accordance with the laid-down criteria, and recommending to the Board their appointment and removal; and administering the ESOS Scheme of the Company.

(ii) Composition :

The composition of Nomination & Remuneration Committee during the Financial Year 2025-26 was as follows:

Sr. No.	Name of Director	Position held
1.	Mr. Padmakar Joshi	Chairman
2.	Mrs. Kavita Loya	Member
3.	Mr. Ashok Bhatia	Member
4.	Dr. Anwar Siraj Daud	Member

(iii) Nomination & Remuneration Committee Meetings and attendance during the year:

During the year ended 31st March, 2026, the Nomination & Remuneration Committee meeting was held on 11.09.2025, 19.01.2026, 02.02.2026

Sr. No.	Name of the Committee Member	Committee meetings		Attendance at the last Annual General Meeting
		Held during Tenure	Attended	
1	Mr. Padmakar Joshi	3	3	Yes
2	Mrs. Kavita Loya	3	3	Yes
3	Mr. Ashok Bhatia	3	3	Yes
4	Dr. Anwar Siraj Daud	3	3	Yes

Performance evaluation criteria for Independent Directors:

The performance evaluation criteria for Independent Directors ("IDs") are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes :

- Participation and contribution by Independent Directors in the business of the company discussed at various meetings;
- Contribution in terms of effective deployment of knowledge, expertise, and commitment;
- Preparedness for areas and issues that are likely to be discussed at the Board level;
- Invests time in understanding the Company and its distinctive requirements;
- Conducts himself / herself in a manner that is ethical and consistent with various laws and Regulations; and
- Stays conscious of being independent of the management.

5) Stakeholder's Relationship Committee:

The terms of reference of the Stakeholders' Relationship Committee are in line with the provisions of Section 178 (5) of Companies Act, 2013 read with Regulation 20 and Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Stakeholders Relationship Committee is primarily responsible for redressal of Shareholders', Investors', Security holders' grievances including complaints related to transfer of shares, non-receipt of declared dividends, annual reports etc.

The composition of Stakeholder's Relationship Committee during the Financial Year 2025-26 was as follows:

Sr. No.	Name of Director	Position held
1	Mrs. Kavita Loya	Chairman
2	Dr. Kamlesh Shende	Member
3	Mr. Prakash Sapkal	Member

During the year ended 31st March, 2026, Stakeholder's Relationship Committee meeting was held on 16.03.2026.

Sr. No.	Name of the Committee Member	Committee meetings		Attendance at the last Annual General Meeting
		Held during Tenure	Attended	
1	Mrs. Kavita Loya	1	1	Yes
2	Dr. Kamlesh Shende	1	1	Yes
3	Mr. Prakash Sapkal	1	1	Yes

Name and designation of Compliance Officer:

Mr. Piyush Nikhade, Company Secretary acts as the Secretary to the Stakeholder Relationship Committee and also as the Compliance Officer.

Status of Shareholders' complaints:

During the year, the Company received NIL investor complaints,

5A. Risk management Committee :

The Risk Management Committee is constituted on voluntary basis to address the risks associated with the company. The Risk Management Committee, constituted by the Board of Directors, is entrusted with the responsibility of reviewing Risk Management Policy to monitor various organisational risks (strategic, operational, and financial).

(i) Composition of Risk Management Committee during the Financial Year 2025-26 was as follows :

Sr. No.	Name of Director	Position held
1	Mr. Padmakar Joshi	Chairman
2	Dr. Kamlesh Shende	Member
3	Mrs. Kavita Loya	Member
4	Dr. Anwar Siraj Daud	Member

(ii) Risk Management Committee Meetings and attendance during the year:

During the year ended 31st March, 2026, Risk Management Committee meeting was held on 09.09.2025, 19.09.2025 and 24.03.2026.

Sr. No.	Name of the Committee Member	Committee meetings		Attendance at the last Annual General Meeting
		Held during Tenure	Attended	
1	Mr. Padmakar Joshi	3	3	Yes
2	Dr. Kamlesh Shende	3	3	Yes
3	Mrs. Kavita Loya	3	3	Yes
4	Dr. Anwar Siraj Daud	3	3	Yes

5B. Particulars of the Senior Management of the Company :

Sr. No.	Name of Employee	Designation
1	Dr. Chandrashekhar Mainde	Technical Director
2	Mr. Vikrant Bendre	President – International Business (w.e.f 2nd February, 2026)
3	Mr. Vijay Fudke	Senior Vice President – Technical Services
4	Mr. Shyam Mohan Patro	Chief Financial Officer
5	Mr. Jitendra Pandey	Vice President – Human Resource (w.e.f 2nd February, 2026)
6	Mr. Sridhar Reddy	Vice President – Quality Assurance (w.e.f 2nd February, 2026)
7	Dr. Uttam Kedar	Assistant Vice President – R&D
8	Mr. Piyush Nikhade	Company Secretary and Compliance Officer

*Mr. Pradeep Katariya ceased to be Senior Vice President, Operations w.e.f 01st April, 2025

6. Remuneration of Directors :

(i) Remuneration Policy: Your Company has a well-defined policy for remuneration of the Directors, Key Management Personnel, Senior Management, and other Employees. The policy is available on the website of the Company, and the weblink for the same is https://www.zimlab.in/investor-reports-policies.

(ii) Details of remuneration of Independent Directors are as follows :

Sr. No.	Name of Director	Remuneration paid in F.Y. 2025-26 (₹ In Lakhs)
1	Mrs. Kavita Loya	9.00
2	Mr. Padmakar Joshi	7.00
3	Dr. Kamlesh Shende	7.00
4	Mr. Ashok Bhatia	20.00

(i) Details of Sitting Fees : The Directors are not paid any Sitting Fee.

(ii) Remuneration to Executive Directors :

(Amt in ₹)

Sr. No	Name of Director	Fixed Remuneration paid in F.Y. 2025-26	Stock Option	Performance Linked Incentive F.Y. 2024-25	*Others for F.Y. 2024-25	Total Remuneration
1	Dr. Anwar Daud	1,54,08,000	-	-	-	1,54,08,000
2	Mr. Zulfiquar Kamal	91,88,000	-	9,00,000	1,00,000	1,01,88,000
3	Mr. Niraj Dhadiwal	84,95,000	-	7,76,000	3,10,400	95,81,400
4	Mr. Prakash Sapkal	75,25,000	-	7,00,000	2,80,000	85,05,000

1. The above remuneration of Mr. Zulfiquar Kamal is exclusive of ₹ 29.03 Lakhs equivalent to 1,20,000 AED p.a. received as remuneration from Wholly Owned Subsidiary "ZIM Laboratories Limited FZE" for the F.Y. 2025-26.
2. The above remuneration of Mr. Prakash Sapkal is exclusive of ₹ 9.29 Lakhs equivalent to Euro 9,000 received as remuneration from wholly owned subsidiary "SIA ZIM Laboratories Limited" for the FY 2025-26.
3. The performance linked incentive for F.Y. 2024-25 was paid in F.Y. 2025-26 after evaluation of performance of Directors.
4. *One time performance linked payout for the F.Y. 2024-25 was paid in F.Y. 2025-26.
5. The performance linked incentive for F.Y. 2025-26 will be paid in F.Y. 2026-27 after evaluation of performance of Directors.
6. The details mentioned above are based on Standalone Financials.

7) Corporate Social Responsibility Committee :

(i) Composition of Corporate Social Responsibility Committee (CSR) during the Financial Year 2025-26 was as follows:

Sr. No.	Name of Director	Position held
1	Dr. Kamlesh Shende	Chairman
2	Mr. Padmakar Joshi	Member
3	Mr. Niraj Dhadiwal	Member

The terms and reference of the Committee of the CSR are in line with the provisions of Section 135 of the Companies Act, 2013 (the Act), and inter-alia, includes the following:

a. To formulate and recommend to the Board the Corporate Social Responsibility Policy (CSR Policy) as specified in Schedule VII of the Companies Act, 2013 ('the Act') read with Companies (Corporate Social Responsibility) Rules, 2014.

b. To recommend to the Board the amount of expenditure to be incurred on the activities undertaken by the Company as per the CSR Policy.

c. To monitor the CSR Policy of the company from time to time.

(ii) Committee Meetings and attendance during the year :

During the year ended 31st March, 2026, Corporate Social Responsibility Committee meeting was held on 02.09.2025 and 05.01.2026 and all the members were present in the meeting.

Sr. No.	Name of the Committee Member	Committee meetings		Attendance at the last Annual General Meeting
		Held during Tenure	Attended	
1	Dr. Kakasaheb Mahadik	2	2	Yes
2	Mr. Padmakar Joshi	2	2	Yes
3	Mr. Niraj Dhadiwal	2	2	Yes

8) General Body Meetings :

Annual General Meeting

The details of the last three Annual General Meetings are as under :

AGM for the period/year ended	Venue	Date	Time	Special Resolution Passed
41st AGM for the year ended March 31, 2025	Video Conferencing (VC)/ Other Audio- Visual Means (OAVM)	27.06.2025	11.30 a.m.	Three Special Resolutions were passed.
40th AGM for the year ended March 31, 2024	Video Conferencing (VC)/ Other Audio- Visual Means (OAVM)	27.06.2024	11.30 a.m.	No Special Resolution was passed.
39th AGM for the year ended March 31, 2023	Video Conferencing (VC)/ Other Audio- Visual Means (OAVM)	10.07.2023	11:30 a.m.	No Special Resolution was passed.

Postal Ballot :

During FY 2025-26, Postal Ballot was conducted by the Company for seeking the approval of the Members.

The details of the Postal Ballot conducted are mentioned below:

Date of Postal Ballot Notice : 19th September, 2025

Voting Period : 15th October, 2025, at 09:00 a.m. (IST) to 13th November, 2025, at 05:00 p.m. (IST)

Date of Declaration of Results : 14th November, 2025.

Voting Pattern

Item no.	Description	Type of Resolution	No. of votes polled	Votes in Favour		Votes against	
				No. of votes	%	No. of votes	%
1	To re-appoint Mr. Niraj Dhadiwal (DIN: 02007428) as Whole-time Director of the Company.	Special Resolution	2,23,19,206	2,23,11,541	99.9657	7,665	0.0343
2	To re-appoint Mr. Prakash Sapkal (DIN: 02007385) as Whole time Director of the Company	Special Resolution	2,23,19,214	2,23,11,676	99.9662	7,538	0.0338

Procedure For Postal ballot :

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

Ms. Roshni Jethani (C.P No.: 17722), Company Secretary in Practice, was appointed as Scrutinizer for conducting the postal ballot/e-voting process.

Details of special resolution proposed to be conducted through postal ballot: No

9) Means of Communication :

a. The quarterly, half-yearly, and annual financial results of the Company are published in leading newspapers in India which include The Indian Express, Financial Express, and Loksatta. The results are also displayed on the Company's website at www.zimlab.in. Financial Results, Statutory Notices, Press Releases, and Presentations made to institutional investors/analysts after the declaration of the quarterly, half-yearly, and annual results are submitted to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) as well as uploaded on the Company's website, i.e. www.zimlab.in.

b. All periodical compliance filings like, Shareholding Pattern, Corporate Governance Report, and Media Releases are electronically filed with BSE and NSE on the Listing Centre and NEAPS Portal respectively which are further disseminated by the exchanges to Public.

10) General Shareholder information:

i.	AGM: Date, time and venue	The 42nd Annual General Meeting of the Company is scheduled to be held on 29th June, 2026 at 11.30 a.m. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) Deemed venue : Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur - 440013. (Registered Office)
ii.	Financial Year	01st April 2025 - 31st March 2026
iii.	Dividend Payment Date	Not applicable
iv.	Listed on stock exchange	BSE Limited and National Stock Exchange of India Limited, Annual Listing Fees as applicable has been paid.
v.	Stock Code	1. BSE Limited : 541400 2. NSE Limited : ZIMLAB
vi.	ISIN Code	INE518E01015
vii.	Registrar and Share Transfer Agent	MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), C-101, Embassy 247, L.B.S. Marg, Vikhroli (W) Mumbai - 400 083 Tel No : +91 22 49186000 Email Id: rnt.helpdesk@in.mpms.mufg.com

Share Transfer System:

Shares of the company are traded compulsorily in dematerialised form and are transferable through a depository system. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for the issue of duplicate certificates, claims from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, subdivision/splitting/ consolidation of certificate, transmission, and transposition which were allowed in physical form, should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company, i.e., www.zimlab.in.

Shareholders holding shares in physical form are advised to dematerialise their shares.

Shareholders should communicate with MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited), the Company's Registrars & Share Transfer Agent at rnt.helpdesk@in.mpms.mufg.com quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

Distribution of Shareholding pattern as on 31.03.2026

Nominal Value of Shareholding	No. of Shareholders	% of Shareholders	Total Shares	% of Share
Upto 500	12,532	73.7437	1,70,55,720	3.188
501 – 1000	2,321	13.6578	1,74,85,090	3.2682
1001 – 2000	935	5.5019	1,41,50,190	2.6449
2001 – 3000	421	2.4773	1,07,03,810	2.0007
3001 – 4000	196	1.1533	69,84,540	1.3055
4001 – 5000	135	0.7944	62,70,630	1.1721
5001 – 10000	254	1.4946	1,85,10,600	3.4599
10001 and above	200	1.1769	44,38,42,530	82.9607
Total	**16,994**	**100**	**53,50,03,110**	**100**

Shareholding pattern as on 31.03.2026 of equity shares as per Regulation 31 of SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015.

Category	No. of Shares	Percentage (%)
Promoter & Promoter Group	1,62,34,670	30.35
Other Bodies Corporate	1,40,86,622	26.33
Non-Resident Indians	11,04,958	2.07
Foreign Individuals	12,95,208	2.42
Public	2,07,78,853	38.84
Total	**5,35,00,311**	**100.00**

Dematerialisation of shares :

Category	No. of Shares	Percentage (%)
In NSDL	4,47,19,055	83.58
In CDSL	63,89,428	11.94
In Physical form	23,91,828	4.47
Total	**5,35,00,311**	**100.00**

Outstanding GDRs/ADRs/Warrants or any convertible Instruments, conversion date and likely impact on equity : NIL

Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on BSE and NSE. Equity shares of the Company representing 95.53 percent of the Company's equity share capital are dematerialized as on 31st March, 2026.

Foreign exchange risk and hedging activities:

Being an exporter, the company earns about 80% of the revenue from Exports to various markets across the world. As a result, the exchanges are received in the EEFC account maintained at the scheduled bank. The Imports are being financed through the available balances in the EEFC account.

The Company also availed of the EPC/PCFC/PSFC/FBD/FBN/FBP facility from its Bankers - Bank of India and SVC Co-Operative Bank Ltd.

The exchange inflow is being utilized for satisfaction of the credit availed through the referred facility. This referred process provides a natural hedge to the company.

Credit Ratings: The Credit rating agency ACUITE Ratings & Research Limited have assigned and reaffirmed credit rating ACUITE BBB; Outlook : Stable to the long-term borrowings and ACUITE A3+ ; Outlook : Stable to short-term borrowing of the company

Plant locations :

B-21/22, MIDC Area, Kalmeshwar-441-501, Dist. Nagpur (MH)
Ph. : 091-07118-271370 /271990/271470
Email ID : info@zimlab.in

Address for correspondence:

Registered Office :

Mr. Piyush Nikhade, Company Secretary

ZIM Laboratories Limited
Sadoday Gyan (Ground Floor) Opp. NADT,
Nelson Square, Nagpur - 440 013.
Ph. : 0712-2981960
Email ID : cs@zimlab.in

For Share Transfer matters :
MUFG Intime India Private Limited,
(Formerly Known as Link Intime India Private Limited)
C-101, Embassy 247, L.B.S. Marg, Vikhroli (W)
Mumbai - 400 083.
Ph. (022) 49186000
Email ID : rnt.helpdesk@in.mpms.mufg.com

11) Details of utilisation of funds raised through preferential Allotment :

The Board of Directors of the Company, at its meeting held on 21st January 2026, approved the proposal for raising funds aggregating to ₹ 34,99,99,949.62 by way of issuance of equity shares on a preferential basis to investor falling under the Non-Promoter category ("Preferential Issue").

Subsequently, the shareholders approved the Preferential Issue by way of a Special Resolution passed at the EGM held on 16th February 2026. Thereafter, on 13th March 2026, the Board of Directors approved the allotment of 47,64,497 fully paid-up equity shares to a Non-Promoter category investor at an issue price of ₹ 73.46 per equity share.

Out of the proceeds raised through the Preferential Issue, an amount of ₹ 1,34,42,907.00 had been utilised up to 31st March 2026 in line with the objects of the issue. Further, during the year under review, there was no deviation or variation in the utilisation of proceeds from the objects stated in the explanatory statement / offer documents, in compliance with Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company has been placing before the Audit Committee, on a quarterly basis, the statement of utilisation of proceeds/ funds raised through the aforesaid preferential issue.

12) Disclosures :

(i) Disclosure on materially significant related party transactions, i.e., transactions of the company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large:

No materially significant related party transaction took place during the year ended 31st March, 2026, that had potential conflict with the interests of the Company. All transactions entered with the related parties during the year ended 31st March, 2026, as mentioned under the Companies Act, 2013, and Regulations 23 and 27(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were in the ordinary course of business and on arm's length basis.

(ii) Details of non-compliance: There were no non-compliances and no penalties have been levied on the Company in last three financial years by the Stock Exchanges, Board or any other Statutory Authority.

(iii) Disclosure by Senior Management in accordance with Regulation 4 (1)(i), (2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Senior Management of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial, and commercial transactions with the Company that may have a potential conflict with the interests of the Company at large.

(iv) Whistle Blower Policy:

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are implemented through the Company's Whistle Blower Policy to enable the Directors, employees, and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanisms and make provision for direct access to the Chairman of the Audit Committee.

The Whistle Blower Policy of your Company is available on the Company's website www.zimlab.in at weblink: https://www.zimlab.in/investor-reports-policies. It is affirmed that no personnel have been denied access to the Chairperson of the Audit Committee

(v) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

All mandatory requirements have been complied with and the non-mandatory requirements will be implemented as and when required and/or deemed necessary by the Board.

(vi) Policy on determining 'material' subsidiaries is disclosed on website of the company at https://www.zimlab.in/investor-reports-policies. For the F.Y. 2025-26, the Company does not have any material subsidiary.

(vii) The policy on dealing with related party transactions is disclosed on the website of the company at https://www.zimlab.in/investor-reports-policies

(viii) A Certificate from Ms. Roshni Jethani, Company Secretary in Practice have been received, stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

(ix) M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) has been appointed as the Statutory Auditor of the Company for a term of five years from 01.04.2025 to 31.03.2030. The particulars for payment of Statutory Auditors' fees for all the services provided by them, on a consolidated basis for F.Y. 2025-26 is ₹ 66.12 Lakhs p.a.

(x) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2018:

The details have been disclosed in the Board Report, which forms part of the Annual Report.

(xi) Disclosure of Loans and advances in the nature of Loans to firms/companies in which directors are interested by name and amount:

The company has not provided loans and advances in the nature of Loan to firms/companies in which directors are interested.

(xii) Disclosure on the Discretionary requirement as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Modified opinion(s) in audit report: The auditor's report on the financial statements of the Company is unmodified.
- Reporting of Internal Auditors: Internal Auditors of the Company make quarterly presentations to the audit committee on their reports.

(ix) Declaration by CEO (Managing Director), Director (Finance) and Chief Financial Officer:

Dr. Anwar Siraj Daud, Managing Director; Mr. Zulfiquar Kamal, Director (Finance); and Mr. Shyam Mohan Patro, Chief Financial Officer of the Company, have furnished to the Board the requisite Compliance Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31.03.2026.

(x) Compliance with Corporate Governance requirements:

The Company has complied with the requirements of corporate governance specified in Regulations 17 to 27 and clauses (b) to (i) of the sub-regulation of Regulation 46 of the SEBI Listing Regulations. Compliance Certificate issued by Ms. Roshni Jethani, Company Secretary in Practice, regarding compliance of conditions of corporate governance is annexed and forms part of this report.

(xi) Disclosure of certain type of agreements binding listed entities:

There are no agreements impacting management or control of the Company, or imposing any restrictions, or creating any liability to the Company.

Disclosures with respect to demat suspense account/ unclaimed suspense account:

In accordance with the requirements of Regulation 34 (3) and Part F of Schedule V of the Listing Regulations 2015, the Company reports the following details in respect of equity shares lying in the Unclaimed Suspense account :

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the Financial Year 2025-26	1,461	2,76,800
Less: Number of shareholders who approached the Company for the transfer of shares and shares transferred from the Suspense Account during the Financial Year 2025-26	5	1,800
Less: Number of shares Transferred to Investor Education and Protection Fund (IEPF)	48	1,35,000
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2025-26	1,408	1,40,000

- The voting rights on these shares shall remain frozen until the rightful owner of such shares claims the shares.

Pursuant to SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, the Company has transferred 400 shares to the Suspense Escrow Demat Account during F.Y.2025-26.

Code of Conduct :

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company, which is posted on the website of the Company.

All Board Members and Senior Management Personnel have affirmed compliance with the code. A declaration to this effect, signed by the Managing Director, is as follows:

Declaration on Code of Conduct

The Company is committed to conducting its business in accordance with the applicable Laws, Rules, and Regulations and with the highest standards of business ethics. The Company has adopted a “Code of Ethics and Business Conduct” which is applicable to all directors, officers, and employees.

I hereby certify that the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Ethics and Business conduct for the year 2025-26.

For and on behalf of the Board of Directors

(Anwar Siraj Daud)
Chairman
DIN : 00023529

Place : Nagpur
Date : 19th May, 2026

CEO AND CFO COMPLIANCE CERTIFICATE

To
The Board of Directors of
ZIM Laboratories Limited

As required under Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we, Anwar Daud, Managing Director, Zulfiquar Kamal, Director (Finance), and Shyam Mohan Patro, Chief Financial Officer, certify that: -

A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2026 and that to the best of our knowledge and belief:

   (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee :

   1. There have been no significant changes in internal control over financial reporting during the year;

   2. There have been no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

   3. We have not noticed any fraud, particularly those involving the management or an employee having a significant role in the Company’s internal control system over Financial Reporting.

Place : Nagpur
Date : 19th May, 2026

(Anwar Daud)
Managing Director

(Zulfiquar Kamal)
Director (Finance)

(Shyam Mohan Patro)
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
ZIM Laboratories Limited
Sadoday Gyan (Ground Floor),
Opp. NADT, Nelson Square,
Nagpur - 440013.

1. I have examined the compliance of the conditions of Corporate Governance by ZIM Laboratories Limited ('the Company') for the year ended on 31st March, 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time ("SEBI Listing Regulations").

Management's Responsibility

2. Compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

3. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, in my opinion the Company has complied in all material respects with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March, 2026.

4. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

CS Roshni Jethani
Practicing Company Secretary
ACS No. 48849
CP No. 17722
Peer Review No.: 1244/2022
UDIN: A048849H000364703

Date: 14th May, 2026
Place: Nagpur

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To
The Members
ZIM Laboratories Limited
Sadoday Gyan (Ground Floor),
Opp. NADT, Nelson Square,
Nagpur - 440013.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ZIM Laboratories Limited, having Corporate Identification Number (CIN) L99999MH1984PLC032172 and having registered office at Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur-440013 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause (10) (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Director Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	DIN	Name of Director	Date of appointment
1	00023529	Dr. Anwar Daud	01/04/2009
2	01786763	Mr. Zulfiquar Kamal	19/10/2012
3	02007385	Mr. Prakash Sapkal	22/11/2013
4	02007428	Mr. Niraj Dhadiwal	22/11/2013
5	07943519	Mrs. Kavita Loya	21/09/2017
6	07944709	Mr. Padmakar Joshi	21/09/2017
7	09537666	Dr. Kamlesh Shende	01/04/2022
8	02090239	Mr. Ashok Bhatia	01/04/2025

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

(CS Roshni Jethani)
Practicing Company Secretary
Membership No. 48849
COP No. 17722
Peer Review No.: 1244/2022
UDIN : A048849H000364736

Place: Nagpur
Date: 14th May, 2026.

Annexure - V

As per the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose the following information in the Board's Report.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;

Name of the Director	Ratio with median Remuneration
Dr. Anwar Daud	37.17
Mr. Zulfiquar Kamal	24.58
Mr. Niraj Dhadiwal	23.14
Mr. Prakash Sapkal	20.54
Mr. Padmakar Joshi	1.69
Mrs. Kavita Loya	2.17
Dr. Kamlesh Shende	1.69
Mr. Ashok Bhatia	4.82

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Director	% Increase in Remuneration in FY 2025-26
Dr. Anwar Daud	5.00%
Mr. Zulfiquar Kamal	10.89%
Mr. Niraj Dhadiwal	-4.28%
Mr. Prakash Sapkal	-16.44%
Ms. Kavita Loya	0.00%
Mr. Padmakar Joshi	0.00%
Dr. Kamlesh Shende	0.00%
Mr. Ashok Bhatia**	-
Mr. Shyam Patro*	12.53%
Mr. Piyush Nikhade	21.57%

* One time reward has been excluded in the calculation.

** The percentage increase in remuneration is not applicable to Mr. Ashok Bhatia as he is appointed effective from 01.04.2025.

(iii) The percentage increase in the median remuneration of financial year : -9.67%

(iv) The number of permanent employees on the rolls of company : 632

(v) Average percentage change made in the salaries of eligible employees other than the managerial personnel in the financial year ending March 31, 2026 was approximately 0.62%, and the average increase in the managerial personnel remuneration was 4.75%.

(vi) The Company affirms that the remuneration paid for FY 2025-26 to the Managerial and Non-Managerial Personnel is as per the remuneration policy of the Company.

(vii) The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further the report and the accounts are being sent to members excluding the aforesaid Annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Annexure - VI

FORM AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 and rule 8(1) of the Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries as on 31.03.2025

(Figures in Lakhs)

Sr. No.	Particulars	Name of the Subsidiary					
		ZIM Laboratories FZE	ZIM Health Technologies Limited	SIA ZIM Laboratories Limited	ZIM Thin orals Private Limited	ZIMTAS PTY Limited	ZIM Scientific Office LLC
1	Date since when subsidiary was acquired/ incorporated	09.06.2014	16.05.2019*	06.09.2019	18.05.2021	05.03.2024	15.11.2024
2	Reporting currency	AED	INR	EURO	INR	AUD	AED
3	Exchange Rate as on 31.03.2026	25.82	1.00	108.99	1.00	65.02	25.82
4	Share Capital	37.66	40.00	6.88	10.00	2.68	4.00
5	Reserves & Surplus	41.28*	222.72	(3.34)	0.02	(0.69)	(2.07)
6	Total Assets	123.00	463.34	6.71	10.12	3.12	3.49
7	Total Liabilities	44.06	200.62	3.18	0.10	1.13	1.56
8	Investments	4.00	-	-	-	-	-
9	Turnover	159.57	267.72	-	-	-	-
10	Profit / (Loss) before Tax	6.99	(23.57)	(0.93)	0.41	(0.61)	(1.33)
11	Provision for Tax	-	6.13	-	(0.10)	-	-
12	Profit / (Loss) after Tax	6.99	(17.44)	(0.93)	0.31	(0.61)	(1.33)
13	Proposed Dividend	-	-	-	-	-	-
14	Extent of Shareholding (in percentage)	100%	100%	100%	100%	99.96%	100%

*The date of Board approval for acquisition of the Company is considered as the date of acquisition.

For and on behalf of the Board of Directors of ZIM Laboratories Limited

(Anwar Siraj Daud)
Managing Director
DIN : 00023529

(Mr. Zulfiquar Kamal)
Director (Finance)
DIN : 01786763

Place: Nagpur
Date: 19th May, 2026

(Mr. Shyam Mohan Patro)
Chief Financial Officer

(Mr. Piyush Nikhade)
Company Secretary

Notes:

1. Names of subsidiaries, which are yet to commence operations:
   (i) ZIM Thinorals Private Limited, Wholly Owned Subsidiary
   (ii) SIA ZIM Laboratories Limited, Wholly Owned Subsidiary
   (iii) ZIMTAS PTY Limited, Wholly Owned Subsidiary

2. Names of subsidiaries, which have been liquidated or sold during the year:
   (i) ZIM Laboratories Middle East DMCC, Step Down Subsidiary liquidated on 23.02.2026

INDEPENDENT AUDITOR'S REPORT

To The Members of Zim Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Zim Laboratories Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31 March 2026 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2026, their consolidated profit and their consolidated other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Capitalization and realisability of 'Product Marketing Authorization' Rights (Refer Note 2.1(e) to the accompanying consolidated financial statements for material accounting policy information and Note 5(A) and 5(B) for related disclosures) The Group has applied for registration of its various formulated products in different countries. The applications have been made to secure marketing rights / product authorisations in respective geographies, some of which are subject to regulatory approvals. The expenses towards registrations are capitalized as 'Product Marketing Authorizations'. The 'Product Marketing Authorizations' are marketing rights and primarily include costs pertaining to bioequivalence studies, analytical method validation studies and product registration costs in respective geographies. Based on management's expectation of its commercial utilization of these products, these costs are amortized over a period of three years from the date of capitalization. For marketing rights under process of approval, the primary risk relates to timely securing of requisite regulatory approvals. For capitalized marketing rights, the key risk is the ability to successfully commercialize the individual product concerned in the respective geography over the expected timelines. The assumptions/judgement applied by management in determining the recoverable value of such rights include expected contributions from projected business generated in respective countries. Changes in these assumptions could lead to an impairment to the carrying value of such intangible assets and Intangible assets under development. Considering the materiality of the amounts involved, inherent subjectivity and significant management judgement involved to estimate the recoverable value of the marketing rights, capitalization and realisability of 'Product Marketing Authorization' Rights has been identified as a key audit matter for the current year audit.	Principal audit procedures performed included the following: • Obtained an understanding of the management process and controls for calculating the amount to be capitalized and its realisability, and assessed the consistency of the accounting policies with relevant accounting standards; • Evaluated the design and tested the operating effective of internal controls around capitalisation and realisability of 'Product Marketing Authorization' Rights; • Tested the mathematical accuracy of the amounts capitalized as marketing rights and also evaluated key assumptions regarding market potential used by the Group on a sample basis; • Verified sample of costs incurred to supporting documentation such as study reports, invoices and payment records to ensure the correctness of the amounts being incurred; • Obtained an understanding from management as to the status of each marketing right under process and corroborating, on sample basis, such status assessments from the communications of the Company's management (as distinct from the financial management function) with respective authorities; • In respect of marketing rights for products that have received regulatory approvals, we assessed the useful life and amortization period for the capitalized costs and challenged their total estimated profitability based on results achieved till date; • In respect of marketing rights for products that are no longer considered viable, we determined whether the carrying amount had been appropriately written off; and • Evaluated the appropriateness and adequacy of the related disclosures made in the consolidated financial statements in accordance with applicable accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion and Analysis and Corporate Governance report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 6 subsidiaries whose financial statements reflect total assets of ₹ 4,522.30 lakhs as at 31 March 2026, total revenues of ₹ 3,576.06 lakhs and net cash inflows amounting to ₹ 474.32 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

(b) The consolidated financial statements of the Parent for the year ended 31 March 2025 were audited by another auditor who expressed an unmodified opinion on those statements on 20 May 2025.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group including relevant records so far as it appears from our examination of those books and the reports of the other auditors, except for matters stated in (i)(vi) below.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated 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 of the Parent as on 31 March 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   h) 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 Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 44 to the consolidated financial statements.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 15(ii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 15(ii) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

vi) Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, the Parent and its subsidiary companies incorporated in India have used accounting software systems for maintaining their respective books of account for the financial year ended 31 March 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. During the course of our audit of the Parent, we did not come across any instance of audit trail feature being tampered with other than the consequential impact of audit trail feature which was not enabled at database level to log any direct data changes. Hence, we are unable to comment on whether the audit trail feature at the database level of the said software of the Parent was enabled and operated throughout the year and preserved for all relevant transactions recorded in the software. However, subsequent to the year ended 31 March 2026, audit trail has been enabled at the database level to log any direct data changes.

Additionally, the audit trail that was enabled and operated for the year ended 31 March 2026, by the Parent at application level and above referred subsidiary companies incorporated in India, has been preserved by the Parent and such subsidiary companies incorporated in India, as per the statutory requirements for record retention. Also, refer Note 51 to the consolidated financial statements.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

Viral R. Shah
Partner
(Membership No. 117654)
(UDIN: 26117654YCUYAR7969)

Place: Mumbai
Date: 19 May 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

To The Members of Zim Laboratories Limited for the year ended 31 March 2026

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to consolidated financial statements of Zim Laboratories Limited (hereinafter referred to as the "Parent") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's management and Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on "the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2026 based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

Viral R. Shah
Partner
(Membership No. 117654)
(UDIN: 26117654YCUYAR7969)

Place: Mumbai
Date: 19 May 2026

Consolidated Balance Sheet

As at 31 March 2026

₹ in lakhs

	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,643.23	15,834.39
Capital work-in-progress	4	5,876.02	4,405.44
Goodwill on consolidation	5(A)	16.94	16.94
Other intangible assets	5(A)	518.32	576.33
Intangible assets under development	5(B)	3,676.55	2,641.05
Financial Assets			
Investments	6	5.00	5.00
Other financial assets	7	251.87	236.73
Income tax assets (net)	8	100.44	103.82
Other non-current assets	9	223.52	251.90
Deferred tax assets (net)	20(A)	45.97	25.09
		26,357.86	**24,096.69**
Current assets			
Inventories	10	9,377.48	8,647.00
Financial Assets			
Trade receivables	11	10,903.80	10,692.03
Cash and cash equivalents	12	2,512.19	194.66
Bank balances other than cash and cash equivalents	13	1,829.08	54.59
Other financial assets	14	48.73	24.09
Other current assets	15	2,909.57	3,518.37
		27,580.85	**23,130.74**
TOTAL ASSETS		**53,938.71**	**47,227.43**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	5,350.03	4,872.58
Other equity	17	24,265.33	20,351.17
Equity attributable to owners		**29,615.36**	**25,223.75**
Non controlling interest		0.05	0.05
Total equity		**29,615.41**	**25,223.80**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	18	4,158.83	4,030.10
Lease liabilities	19	83.20	206.97
Deferred tax liabilities (net)	20	1,042.03	1,130.10
		5,284.06	**5,367.17**
Current liabilities			
Financial Liabilities			
Borrowings	21	8,139.56	7,186.45
Lease liabilities	22	274.30	356.43
Trade payables	23		
- total outstanding due of micro enterprises and small enterprises		847.20	668.46
- total outstanding due of creditors other than micro enterprises and small enterprises		6,445.68	6,282.12
Other financial liabilities	24	1,068.66	1,170.36
Other current liabilities	25	1,920.27	612.70
Provisions	26	85.94	67.90
Current tax liabilities (net)	8(A)	257.63	292.04
		19,039.24	**16,636.46**
TOTAL LIABILITIES		**24,323.30**	**22,003.63**
TOTAL EQUITY AND LIABILITIES		**53,938.71**	**47,227.43**
Material accounting policy information and other explanatory information	1 - 53		

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 19 May 2026

Consolidated Statement of Profit and Loss

For the year ended 31 March 2026

₹ in lakhs

		Note	Year ended 31 March 2026	Year ended 31 March 2025
I.	**Income**			
	Revenue from operations	27	37,440.01	37,903.10
	Other income	28	1,138.30	578.41
	Total Income		**38,578.31**	**38,481.51**
II.	**Expenses**			
	Cost of materials consumed	29	16,404.76	15,500.40
	Purchase of stock in trade	30	746.83	1,157.82
	Changes in inventories of finished goods and work-in-progress	31	(614.14)	126.65
	Employee benefits expense	32	6,390.38	6,075.98
	Finance costs	33	1,320.23	1,138.82
	Depreciation and amortisation expense	34	1,997.80	2,011.34
	Other expenses	35	11,511.17	10,669.56
	Total Expenses		**37,757.03**	**36,680.57**
III.	**Profit before tax**		**821.28**	**1,800.94**
IV.	**Tax (expense):**	**36**		
	(i) Current Tax		(342.39)	(467.41)
	(ii) Deferred Tax		104.92	(117.03)
			(237.47)	**(584.44)**
V.	**Net Profit after tax**		**583.81**	**1,216.50**
VI.	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Measurements of defined employee benefit plans		(13.85)	(75.95)
	- Income tax relating to items that will not be reclassified to profit or loss		4.03	22.11
	Items that may be reclassified to profit or loss			
	- Exchange differences on translation of foreign operations		220.49	51.09
	- Income tax relating to items that will be reclassified to profit or loss		-	-
			210.67	**(2.75)**
VII.	**Total Comprehensive Income**		**794.48**	**1,213.75**
VIII.	**Net Profit after tax attributable to**			
	Owners		583.81	1,216.52
	Non-controlling interest		-	(0.02)
			583.81	**1,216.50**
IX.	**Other Comprehensive Income attributable to**			
	Owners		210.67	(2.75)
	Non-controlling interest		-	-
			210.67	**(2.75)**
X.	**Total Comprehensive Income attributable to**			
	Owners		794.48	1,213.77
	Non-controlling interest		-	(0.02)
			794.48	**1,213.75**
XI.	**Earnings per equity share: Nominal value of ₹ 10 each**	**48**		
	Basic (In ₹)		1.19	2.50
	Diluted (In ₹)		1.19	2.50
	Material accounting policy information and other explanatory information	1 - 53		

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 19 May 2026

Consolidated Statement of Cash Flow

for the year ended 31 March 2026

₹in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Cash flow from operating activities		
Profit before tax	**821.28**	**1,800.94**
Depreciation and amortisation expenses	1,997.80	2,011.34
Interest on lease deposits	(7.49)	(7.14)
Gain) on sale of property, plant and equipment (net)	(251.68)	(19.80)
Unrealized foreign exchange gain	(284.09)	(29.99)
Dividend income on investments	(0.75)	(0.75)
Interest income	(32.64)	(5.11)
Equity settled share based payments to employees	113.49	135.40
Bad debts written off	78.11	212.71
Reversal of loss allowance - trade receivables	(23.20)	(71.97)
Finance costs	1,320.23	1,138.82
Operating profit before working capital changes	**3,731.06**	**5,164.45**
Movement in working capital :		
Increase in trade & other payables and provisions	1,613.42	263.30
Increase decrease in inventories	(730.48)	(520.71)
(Increase) /decrease in trade and other receivables	712.83	(899.17)
Net Cash generated from operations	**5,326.83**	**4,007.87**
Direct taxes paid (net of refunds)	(373.42)	107.59
Net cash generated from operating activities (A)	**4,953.41**	**4,115.46**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets (Refer note i)	(4,438.65)	(4,079.77)
Sale proceeds of property, plant and equipment and intangibles	561.65	73.20
Deposits of bank deposits placed with bank (having original maturity of more than three months)	(2,078.19)	(35.50)
Maturity of bank deposits placed with bank (having original maturity of more than three months)	302.87	44.03
Interest received	16.80	4.59
Dividend received	0.75	0.75
Net cash used in investing activities (B)	**(5,634.77)**	**(3,992.70)**
Cash flow from financing activities		
Proceeds from issue of equity share	3,507.76	-
Transaction cost of preferential issue	(24.12)	-
Proceeds from long term borrowings	2,233.44	2,462.40
Repayment of long term borrowings	(2,149.22)	(1,532.02)
Proceeds/(Repayment) of short term borrowings (net)	683.87	(252.65)
Proceeds under supplier finance arrangements (net)	250.21	-
Repayment of principal portion of lease obligations	(393.88)	(358.16)
Finance costs paid	(1,289.50)	(1,230.02)
Changes in unclaimed dividend bank balances	5.55	5.69
Changes in unclaimed dividend liabilities	(5.55)	(5.69)
Net cash generated from (used in) financing activities (C)	**2,818.56**	**(910.45)**

ConsolidatedStatement of Cash Flow

for the year ended 31 March 2026

₹in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Effects of exchange rate changes on cash and cash equivalents (D)	**180.33**	**22.33**
Net (decrease)/increase in cash and cash equivalents (A+B+C+D)	**2,317.53**	**(765.36)**
Opening cash and cash equivalents	194.66	960.02
Closing cash and cash equivalents	2,512.19	194.66
Components of cash and cash equivalents		
Cash on hand	3.34	4.42
Balances with banks in:		
- Current accounts	1,005.02	190.24
- Bank depostis (having original maturity of less than three months)	1,503.83	-
Total cash and cash equivalents (Refer note 12)	**2,512.19**	**194.66**
Notes:		
i) Includes capital work-in-progress, intangible assets under development, capital advance, payable for capital expenditure.		
ii) The Consolidated Statement of Cashflow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash flows.		
Material accounting policy information and other explanatory information 1 - 53		

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Viral R. Shah
Partner
Membership No.: 117654

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Mumbai
Date: 19 May 2026

Place: Nagpur
Date: 19 May 2026

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

Equity share capital (Refer note 16)

	Number of shares	Rs. in lakhs
Balance as at 01 April 2024	**4,87,25,814**	**4,872.58**
Changes during the year due to prior period errors	-	-
Restated balance as at 01 April 2024	4,87,25,814	4,872.58
Changes during the year	-	-
Balance as at 31 March 2025	**4,87,25,814**	**4,872.58**
Changes during the year due to prior period errors	-	-
Restated balance as at 01 April 2025	4,87,25,814	4,872.58
Changes during the year	47,74,497	477.45
Balance as at 31 March 2026	**5,35,00,311**	**5,350.03**

Other equity (Refer note 17)

(₹ in lakhs)

	Other equity attributable to owners						Total other equity
	Reserves & Surplus					Other reserves	
	Securities premium	General reserve	Retained earnings	Deemed equity contribution from shareholder	Share options outstanding reserve	Foreign currency translation reservej	
Balance as at 01 April 2024	**802.98**	**106.20**	**15,743.15**	**2,140.24**	**-**	**209.43**	**19,002.00**
Transactions during the year							
Total comprehensive income							
Net Profit after tax	-	-	1,216.52	-	-	-	1,216.52
Other comprehensive income	-	-	(53.84)	-	-	51.09	(2.75)
Equity settled share based payments to employees (Refer note 47)	-	-	-	-	135.40	-	135.40
Balance as at 31 March 2025	**802.98**	**106.20**	**16,905.83**	**2,140.24**	**135.40**	**260.52**	**20,351.17**
Transactions during the year							
Total comprehensive income							
Net Profit after tax	**-**	**-**	**583.81**	**-**	**-**	-	**583.81**
Other comprehensive income	-	-	(9.82)	-	-	220.49	210.67
Preferential issue of equity shares (Refer note 16)	3,023.55	-	-	-	-	-	3,023.55
Transaction cost of preferential issue of equity shares	(24.12)	-	-	-	-	-	(24.12)
Exercise of employee stock options (Refer note 47)	12.21	-	-	-	(5.45)	-	6.76
Equity settled share based payments to employees (Refer note 47)	-	-	-	-	113.49	-	113.49
Balance as at 31 March 2026	**3,814.62**	**106.20**	**17,479.82**	**2,140.24**	**243.44**	**481.01**	**24,265.33**

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 19 May 2026

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

1. Background of the Company

ZIM Laboratories Limited ('the Company / Holding Company / Parent') is a public limited company domiciled in India with its registered office at Sadoday Gyan (Ground Floor), Opposite N.A.D.T., Nelson square,Nagpur-440013. The Company has primarily listed on BSE/NSE .The Company is engaged in the manufacturing of formulation drugs and pre formulation ingredients in India and marketing and selling these within and outside India. The Company has wholly owned subsidiaries (ZIM Laboratories FZE,UAE , SIA ZIM Laboratories Limited, Latvia, ZIM Health Technologies Limited, India and ZIM Thinorals Private Limited, India), subsidiary (ZIMTAS PTY Limited, Australia) and step-down subsidiary (ZIM Scientific Office L.L.C,UAE (the Company and its subsidiaries are together referred to as 'the Group') which are engaged in manufacturing & wholesale of pharmaceutical products, market research and research & development activities.

The consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2026 were authorised for issue in accordance with resolution of the Board of Directors on 19 May 2026.

2. Basis for preparation of financial statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value;

2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;

3) defined benefit plans - plan assets measured at fair value;

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.1 Material accounting policy information

a Principles of consolidation

-Subsidiary

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

b Use of estimates

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

evidence about conditions existing as at the reporting date.

c Property, plant and equipment (including Capital Work-in-Progress)

The group had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 01 April 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost and not revalued its property, plant and equipment at the end of each year.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

d Depreciation methods and estimated useful lives

The Company provides for depreciation on additions and disposals made during the year on pro-rata basis from the date of additions upto the date of disposal. Depreciation on property, plant and equipment is provided under the straight line method over the useful lives of assets, as prescribed under Part C of Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets Class	Useful Life
Building	5 years & 30 years
Plant and Equipment	10 years & 15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment's	3-6 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Leasehold Improvements are amortized over the lower of the lease term or useful life of the respective asset prescribed as above.

Leasehold land is amortised over the primary period of lease.

e Intangible assets (including Intangible assets under development)

Intangible assets are stated at acquisition/ development cost, net of tax credit on initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditure incurred for obtaining regulatory approvals and registration of the products for overseas markets are considered/capitalised as product marketing authorisations.

Intangible assets are amortised on a straight line basis over the estimated useful economic life, which is estimated to be five years for software and brands and for product marketing authorisations, lower of validity of product marketing authorisation certificate or three years.

f Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

During the period of development, the asset is tested for impairment annually. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the Statement of Profit and Loss.

g Measurement and recognition of leases

The Group considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether"

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Group as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group and any lease payments made in advance of the lease commencement date.

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

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

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), 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 expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

The Group has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. 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 or on another systematic basis if that basis is more representative of the pattern of the Group's benefit.

Group as a lessor

Lease income from operating leases where the Group is a lessor is recognised as income on straight line basis over the lease term .

h Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and

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Loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

i Borrowing costs

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

Impairment of non-financial assets

Assessment is carried out at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication of impairment exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed if there was no impairment.

k Investments and financial assets

Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss, when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of profit and loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

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Measurement of equity instruments

The group measures its equity investment (other than in subsidiaries) at fair value through profit and loss. However where the group's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the group applies the simplified approach permitted by Ind AS 109, Financial Instruments.The Group has used a practical expedient for computing the expected credit loss allowance for trade receivables based on the ageing based matrix.

De-recognition of financial assets

A financial asset is derecognised only when

- The group has transferred the rights to receive cash flows from the financial asset or they have expired or
- The group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

l Derivatives and embedded derivatives

The group uses derivative financial instruments i.e. foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such contracts are accounted for at fair value through profit or loss. Derivatives are carried as financial assets/liabilities when the fair value is positive/ negative, respectively.

Derivatives embedded in a host contracts that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

m Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n Inventories

Inventories are stated at lower of cost and net realisable value. Cost of raw materials, stores, spares and packing materials is determined at weighted average cost or net realisable value,

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whichever is lower. The cost of finished goods and work in progress comprises raw materials cost, packing materials cost, direct labour, other direct costs and related production overheads, as applicable. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

o Foreign Currency Transactions

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (Rs.) whereas the functional currency of foreign subsidiaries is the currency of their country of domicile.

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gains or losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities are translated at the closing rate on the balance sheet date

(b) Income and expenses are translated at the average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated based on rates prevailing at the date of transaction).

(c) All resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

p Revenue Recognition

The group derives revenues primarily from sale of manufactured goods and traded goods.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the group expects to receive in exchange for those products.

The group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the group's performance as the group performs; or

2. The group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The group's performance does not create an asset with an alternative use to the group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Other operating revenue

Product service income

Product development income

Income from product development is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable i.e. over time.

The Group enters into certain product development and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Group recognises or defers the upfront payments received under these arrangements.

Out-licensing income

Revenues include amounts derived from outlicensing income. These income typically depends on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Group has continuing performance obligations, if the milestones are not considered substantive.

Export incentives

Export Incentives under various schemes are accounted in the year of export.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects entity’s unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The entity holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

q Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. Dividend Income is recognised when right to receive the payment is established by the balance sheet date.

r Employee Benefits

Defined Contribution Plan

The group has Defined Contribution Plan for post employment benefit namely Provident Fund and National Pension Fund which are recognised by the income tax authorities and administered through appropriate authorities. The group contributes to a Government administered Provident Fund and National Pension Fund and has no further obligation beyond making its contribution. Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations.

The group's contributions to the above funds are charged to Statement of Profit and Loss every year as and when due.

Defined Benefit Plan - Gratuity

The group has Defined Benefit Plan comprising of Gratuity. The Gratuity scheme is funded through Group Gratuity Cum Life Assurance Scheme from LIC. The adequacy of accumulated fund balance available with LIC has been established by comparing such balance based on actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. All other absences are treated as long term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits 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 at the amounts expected to be paid when the liabilities are settled.

At present, short term benefits are the only employee benefits applicable to the subsidiaries, while all benefits are applicable to the Company.

s Current and Deferred Tax

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Income tax (current-tax) assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets (Including Minimum Alternate Tax(MAT)) are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the group and it is probable that reversal will not occur in the foreseeable future.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

t Provisions and Contingent Liabilities

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably

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estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

u Earnings per share

Basic earnings per share are 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, share split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- Useful life and residual value of property, plant and equipment (PPE) and intangible assets (Refer note 3, 4, 5(A) & 5(B)

  The Group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

- Recognition and measurement of defined benefit obligations (Refer note 45)

  The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

- Tax expenses (Refer note 36)

  The Group reviews the carrying amount of tax expenses, deferred tax (including MAT credit) and tax payable at the end of each reporting period.

- Loss Allowance (Refer note 11)

  Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance. Individual trade receivables are written off if the same are not collectible.

- Leases – Estimating the incremental borrowing rate (Refer Note 2(g))

  The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

- Inventory (Refer note 10) - The Group reviews the allowance for defective and obsolete items inventory at the end of each reporting period.

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3 Property, plant and equipment

(₹ in lakhs)

	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipments	Vehicles	Right of use Assets (Refer note 42) Leasehold Land	Right of use Assets (Refer note 42) Other Right of use	Total
Gross carrying amount										
Balance as at 1 April 2024	**961.57**	**7,900.29**	**10,470.39**	**327.28**	**1,701.95**	**631.53**	**252.10**	**645.51**	**1,533.49**	**24,424.11**
Additions/Adjustments	-	337.62	560.95	-	77.20	91.44	41.22	466.45	445.16	2,020.04
Deletions	-	39.18	272.70	12.02	155.94	58.88	15.92	-	902.44	1,457.08
Balance as at 31 March 2025	**961.57**	**8,198.73**	**10,758.64**	**315.26**	**1,623.21**	**664.09**	**277.40**	**1,111.96**	**1,076.21**	**24,987.07**
Additions/Adjustments	-	313.24	657.61	65.65	72.06	90.82	30.42	428.16	218.18	1,876.14
Deletions	-	60.09	186.25	-	14.50	3.55	18.77	300.83	-	583.99
Balance as at 31 March 2026	**961.57**	**8,451.88**	**11,230.00**	**380.91**	**1,680.77**	**751.36**	**289.05**	**1,239.29**	**1,294.39**	**26,279.22**
Accumulated Depreciation/ Amortisation										
Balance as at 1 April 2024	**-**	**1,314.47**	**5,032.65**	**165.26**	**733.09**	**407.70**	**131.22**	**31.80**	**914.57**	**8,730.76**
Charge for the year	-	301.41	783.67	21.09	157.07	91.73	16.61	12.88	441.13	1,825.59
Deletions	-	29.12	243.59	2.86	152.58	58.63	14.45	-	902.44	1,403.67
Balance as at 31 March 2025	**-**	**1,586.76**	**5,572.73**	**183.49**	**737.58**	**440.80**	**133.38**	**44.68**	**453.26**	**9,152.68**
Charge for the year	-	294.82	684.15	18.76	126.99	98.87	20.20	14.27	460.76	1,718.82
Deletions	-	25.83	132.28	-	8.99	3.19	17.44	47.78	-	235.51
Balance as at 31 March 2026	**-**	**1,855.75**	**6,124.60**	**202.25**	**855.58**	**536.48**	**136.14**	**11.17**	**914.02**	**10,635.99**
Net carrying amount										
Balance as at 31 March 2025	**961.57**	**6,611.97**	**5,185.91**	**131.77**	**885.63**	**223.29**	**144.02**	**1,067.28**	**622.95**	**15,834.39**
Balance as at 31 March 2026	**961.57**	**6,596.13**	**5,105.40**	**178.66**	**825.19**	**214.88**	**152.91**	**1,228.12**	**380.37**	**15,643.23**

i **Leases in which the Group is Lessee**

The Group has leasing arrangements for its land, office buildings and plant & equipments. The Group pays lease charges as fixed amount as per respective lease agreements. Right-of-use asset is measured, on a lease by lease basis, at carrying amount. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the time of lease initiation.The lease agreements for immovable properties where the Group is the lessee are duly executed in favour of the Group. The average lease period for office buildings and plant & equipments is 2-3 years and for land 59-99 years.

ii Refer note 44 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

iii Refer note 18 and 21 for information on property, plant and equipment pledged as security by the Parent.

iv There are no impairment losses recognised during the current year and previous year.

v There were no material discrepancies identified during physical verification of property, plant & equipments.

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4 Capital work-in-progress (CWIP)

(₹ in lakhs)

Balance as at 1 April 2024	**2,351.60**
Additions	4,073.88
Capitalisation	(2020.04)
Balance as at 31 March 2025	**4,405.44**
Additions	3346.72
Capitalisation	(1876.14)
Balance as at 31 March 2026	**5,876.02**

(₹ in lakhs)

	Amount in CWIP for a period of Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at 31 March 2026					
Projects in progress	2,054.60	2,169.84	1,651.58	-	5,876.02
Projects temporarily suspended	-	-	-	-	-
	2,054.60	**2,169.84**	**1,651.58**	**-**	**5,876.02**
Balance as at 31 March 2025					
Projects in progress	2,712.31	1,693.13	-	-	4,405.44
Projects temporarily suspended	-	-	-	-	-
	2,712.31	**1,693.13**	**-**	**-**	**4,405.44**

Note:
Capital work-in-progress (CWIP) as at 31 March 2026 includes cost incurred towards construction of property, plant and equipment of the Company. There are no projects as on each reporting year where activity had been suspended. Also there are no projects as on reporting year which has exceeded cost as compared to approved plan or where completion is overdue.

5(A) Intangible assets

(₹ in lakhs)

	Softwares	Product Marketing Authorisation	Brands	Total	Goodwill on consolidation
Gross carrying amount					
Balance as at 1 April 2024	**428.16**	**1,183.30**	**604.45**	**2,215.91**	**16.94**
Additions - Internally developed	-	306.39	-	306.39	-
- Acquired	77.48	-	-	77.48	-
Deletions/Adjustments	-	121.24	-	121.24	-
Exchange differences	-	5.87	-	5.87	-
Balance as at 31 March 2025	**505.64**	**1,374.32**	**604.45**	**2,484.41**	**16.94**
Additions - Internally developed	-	132.24	-	132.24	-
- Acquired	57.21	-	-	57.21	-
Deletions/Adjustments	-	-	-	-	-
Exchange differences	-	31.52	-	31.52	-
Balance as at 31 March 2026	**562.85**	**1,538.08**	**604.45**	**2,705.38**	**16.94**
Accumulated Amortisation					
Balance as at 1 April 2024	238.81	1,000.31	604.45	1,843.57	-
Charge for the year	59.04	126.71	-	185.75	-
Deletions/Adjustments	-	121.24	-	121.24	-
Balance as at 31 March 2025	297.85	1,005.78	604.45	1,908.08	-
Charge for the year	68.96	210.02	-	278.98	-
Deletions/Adjustments	-	-	-	-	-
Balance as at 31 March 2026	**366.81**	**1,215.80**	**604.45**	**2,187.06**	**-**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

(₹ in lakhs)

	Softwares	Product Marketing Authorisation	Brands	Total	Goodwill on consolidation
Net carrying amount					
Balance as at 31 March 2025	**207.79**	**368.54**	**-**	**576.33**	**16.94**
Balance as at 31 March 2026	**196.04**	**322.28**	**-**	**518.32**	**16.94**

5(B) Intangible assets under development (IAUD)

(₹ in lakhs)

Balance as at 1 April 2024		**1,876.68**
Additions	- Internally developed	1,137.11
	- Acquired	11.13
Capitalisation	- Internally developed	(306.39)
	- Acquired	(77.48)
Balance as at 31 March 2025		**2,641.05**
Additions	- Internally developed	1,150.73
	- Acquired	74.22
Capitalisation	- Internally developed	(132.24)
	- Acquired	(57.21)
Balance as at 31 March 2026		**3,676.55**

Intangible assets under development (IAUD) Ageing Schedule

(₹ in lakhs)

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at 31 March 2026					
Projects in progress	1,167.86	1,004.06	811.65	692.98	3,676.55
Projects temporarily suspended	-	-	-	-	-
	1,167.86	**1,004.06**	**811.65**	**692.98**	**3,676.55**
Balance as at 31 March 2025					
Projects in progress	1,014.74	976.12	650.19	-	2,641.05
Projects temporarily suspended	-	-	-	-	-
	1,014.74	**976.12**	**650.19**	**-**	**2,641.05**

Note:

Represents expenditure incurred towards obtaining regulatory approvals and registration of the products for overseas markets. There are no IAUD as on each reporting year where activity had been suspended. Also there are no IAUD as on reporting year where completion is overdue.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

6 Investment

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Investment in body corporate:		
Unquoted equity investment carried at amortised cost		
20,000 ((31 March 2025: 20,000) equity shares of ₹ 25 each fully paid-up in Shamrao Vithal co-operative Bank Limited	5.00	5.00
	5.00	**5.00**
Aggregate amount of investments		
Aggregate carrying value of unquoted investments	5.00	5.00
Aggregate carrying value of quoted investments	-	-
Aggregate amount of market value of quoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
	5.00	**5.00**

7 Other financial assets (non-current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Earnest money and security deposit	230.76	210.90
Margin money deposits	21.11	25.83
Represents fixed deposits with banks ₹ 21.11 lakhs (₹ 25.83 lakhs as at 31 March 2025) marked as lien for guarantees issued by banks on behalf of the Parent.		
	251.87	**236.73**

8 Income tax assets (net)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Advance income-tax (net of provision for tax)*	100.44	103.82
	100.44	**103.82**

* Includes amount paid under protest ₹ 84.00 lakhs (31 March 2025 : ₹ 84.00 lakhs)

8(A) Current tax liabilities (net)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Provision for tax (net of advance income-tax ₹ 82.63 lakhs (31 March 2025 : ₹ 119.20 lakhs))	257.63	292.04
	257.63	**292.04**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

9 Other non-current assets

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Capital advances	194.23	201.33
Prepaid expenses	29.29	50.57
	223.52	**251.90**

10 Inventories

(measured at lower of cost or net realisable value)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Raw materials and packing materials		
Goods-in-transit	284.38	-
Others	5,564.53	5,668.06
Work-in-progress	537.99	745.21
Finished goods		
Goods-in-transit	60.72	142.36
Others	2,782.96	1,879.96
Stores and spares	146.90	211.41
	9,377.48	**8,647.00**

11 Trade receivables (Unsecured, Refer note (a) below)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Trade receivables - considered good (Refer note 43)	10,903.80	10,692.03
Trade receivables - credit impaired	35.44	46.48
Trade receivables which have significant increase in credit risk	21.34	33.50
	10,960.58	10,772.01
Less: Loss allowance	(56.78)	(79.98)
	10,903.80	**10,692.03**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

(a) Ageing of Trade receivables

(₹ in lakhs)

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026							
Undisputed Trade Receivables – considered good	7,423.59	2,790.79	604.19	81.62	3.61	-	10,903.80
Undisputed Trade Receivables – which have significant increase in credit risk	0.71	0.66	3.33	0.50	1.50	14.64	21.34
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	28.50	-	6.94	35.44
	7,424.30	**2,791.45**	**607.52**	**110.62**	**5.11**	**21.58**	**10,960.58**
Less: Loss allowance	(0.71)	(0.66)	(3.33)	(29.00)	(1.50)	(21.58)	(56.78)
	7,423.59	**2,790.79**	**604.19**	**81.62**	**3.61**	**-**	**10,903.80**
As at 31 March 2025							
Undisputed Trade Receivables – considered good	8,201.44	2,336.47	117.17	31.88	5.07	-	10,692.03
Undisputed Trade Receivables – which have significant increase in credit risk	1.16	0.94	1.45	0.70	-	29.25	33.50
Undisputed Trade receivable – credit impaired	-	-	-	-	46.48	-	46.48
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
	8,202.60	2,337.41	118.62	32.58	51.55	29.25	10,772.01
Less: Loss allowance	**(1.16)**	**(0.94)**	**(1.45)**	**(0.70)**	**(46.48)**	**(29.25)**	**(79.98)**
	8,201.44	**2,336.47**	**117.17**	**31.88**	**5.07**	**-**	**10,692.03**

No trade receivable are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member other than those disclose in the note 43.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Refer note 38 for information about credit risk and market risk of trade receivables.

12 Cash and cash equivalents

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Cash on hand	3.34	4.42
Balances with banks in current accounts	1,005.02	190.24
Bank depostis (having original maturity of less than three months)	1,503.83	-
	2,512.19	**194.66**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

13 Bank balances other than cash and cash equivalents

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Bank deposits (having original maturity of more than three months but less than twelve months)	1,512.99	**9.00**
Earmarked balances with bank		
Bank deposits (having original maturity of more than three months but less than twelve months)	268.00	-
Unclaimed dividend accounts	3.68	9.23
Margin money deposits	44.41	36.36
Represents fixed deposits with banks ₹ 44.41 lakhs (₹ 36.36 lakhs as at 31 March 2025) marked as lien against guarantees issued by banks on behalf of the Parent.		
	1,829.08	**54.59**

14 Other financial assets (current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Earnest money and security deposits	41.59	**16.50**
Interest receivable:		
from Banks	0.13	0.58
from Others	7.01	7.01
	48.73	**24.09**

15 Other current assets

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		-
Advance to suppliers	190.89	1,466.85
Advance against expenses to employees	11.63	12.56
Balances with government authorities	2,387.05	1,743.54
Prepaid expenses	290.01	240.05
Prepaid gratuity (Refer note 45)	29.99	55.37
	2,909.57	**3,518.37**

(i) There are no advances to directors or other officers of the Group either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or director or a member other than those disclose in the note 43.

(ii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. 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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

16 Equity share capital

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Authorised		
75,000,000 (31 March 2025: 75,000,000) equity shares of ₹ 10 each	7,500.00	7,500.00
Issued		
53,500,311 (31 March 2025: 48,725,814) equity shares of ₹10 each fully paid up	5,350.03	4,872.58
Subscribed and Paid-Up		
53,500,311 (31 March 2025: 48,725,814) equity shares of ₹ 10 each fully paid up	5,350.03	4,872.58
	5,350.03	**4,872.58**

(a) Reconciliation of share capital

	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance as at the beginning of the year	4,87,25,814	4,872.58	4,87,25,814	4,872.58
Add: Shares issued during the year on preferential issue*	47,64,497	476.45	-	-
Add: Shares issued during the year on exercise of employee stock options (Refer note 47)	10,000	1.00	-	-
Balance as at the end of the year	**5,35,00,311**	**5,350.03**	**4,87,25,814**	**4,872.58**

*During the year, the Company has issued 47,64,497 equity shares at an issue price of ₹ 73.46 per share on a preferential basis, in accordance with applicable provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

(b) Rights, preferences and restrictions

The Parent has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Bonus shares issued

On 12 December 2022, the Company has issued 32,483,876 equity shares of face value ₹ 10 each as fully paid up bonus shares. The Parent has issued two bonus equity shares against one equity share held by its shareholders.

(d) Equity shares reserved for issue under employee stock options

For number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options and rights by the employees under Employee Stock Option Scheme. (Refer note 47)

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares:				
Anwar S. Daud*	1,33,36,320	24.93%	1,33,36,320	27.37%
Elimath Advisors Private Limited	55,84,269	10.44%	-	-
Florintree Trinex LLP	47,64,497	8.91%	-	0.00%
Elizabeth Mathew	-	-	58,55,824	12.02%
Zakir Vali	50,47,420	9.43%	50,47,420	10.36%

* Including 1,500,000 shares jointly held with Tasneem Daud (wife of Anwar Daud).

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

(f) Details of shares held by promoters

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
As at 31 March 2026					
Anwar S. Daud	1,33,36,320	-	1,33,36,320	24.93%	-2.44%
Zulfiquar Kamal	11,95,260	-	11,95,260	2.23%	-0.22%
Tasneem A. Daud	30,000	-	30,000	0.06%	-0.01%
Shabbar S. Daud	42,000	-	42,000	0.08%	-0.01%
Sabbah Z. Kamal	15,00,000	-	15,00,000	2.80%	-0.27%
Hasan Kamal	1,04,400	-	1,04,400	0.20%	-0.02%
Farhat S. Daud	-	26,690	26,690	0.05%	0.05%
Total	**1,62,07,980**	**26,690**	**1,62,34,670**	**30.35%**	**-2.92%**
As at 31 March 2025					
Anwar S. Daud	1,33,36,320	-	1,33,36,320	27.37%	-
Zulfiquar Kamal	11,95,260	-	11,95,260	2.45%	-
Tasneem A. Daud	30,000	-	30,000	0.06%	-
Shabbar S. Daud	42,000	-	42,000	0.09%	-
Sabbah Z. Kamal	15,00,000	-	15,00,000	3.08%	-
Hasan Kamal	1,04,400	-	1,04,400	0.21%	-
Total	**1,62,07,980**	**-**	**1,62,07,980**	**33.26%**	**-**

17 Other equity

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Securities premium	3,814.62	802.98
General reserve	106.20	106.20
Retained earnings	17,479.82	16,905.83
Deemed equity contribution from shareholder	2,140.24	2,140.24
Share options outstanding reserve	243.44	135.40
Foreign currency translation reserve	481.01	260.52
Total	**24,265.33**	**20,351.17**
Securities premium		
Balance as at the beginning of the year	802.98	802.98
Additions during the year on preferential issue of equity shares	3,023.55	-
Additions during the year on exercise of stock options (Refer note 47)	12.21	-
Utilisation during the year for transaction cost of preferential issue of equity shares	(24.12)	-
Balance at the end of the year	**3,814.62**	**802.98**

Nature and Purpose - Security premium is used to record the premium on issue of shares, the reserve is utilised in accordance with the provisions of the Companies Act, 2013.

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
General reserve		
Balance as at the beginning of the year	**106.20**	**106.20**
Additions during the year	-	-
Utilisation during the year	-	-
Balance at the end of the year	**106.20**	**106.20**

Nature and Purpose - General reserve represents transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Retained earnings		
Balance as at the beginning of the year	16,905.83	15,743.15
Net profit for the year	583.81	1,216.52
Other comprehensive income	(9.82)	(53.84)
Net surplus in the Statement of Profit and Loss	**17,479.82**	**16,905.83**

Nature and Purpose - Retained earnings represents the amount of accumulated earnings of the Company.

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Deemed equity contribution from shareholder		
Balance as at the beginning of the year	2,140.24	2,140.24
Transaction during the year	-	-
Balance as at the end of the year	**2,140.24**	**2,140.24**

Nature and Purpose - The difference between the fair value of trade receivable proceeds from shareholder and the transaction price is recognised as a credit to the 'Deemed equity contribution from shareholder' under 'Other equity' in FY 2023-24 in accordance with the guidance under Ind AS 1- Presentation of Financial Statements, which states that transactions with shareholders (being the owners of Company), shall be recognized under Equity.

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Share options outstanding reserve		
Balance at the beginning of the year	135.40	-
Add: Additions during the year	113.49	135.40
Less: To securities premium account on exercise of stock options	(5.45)	-
Balance at the end of the year	**243.44**	**135.40**

Nature and Purpose - Employee Stock Options represents the grant date fair value of options granted to employees under Employee Stock Option Scheme.

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Foreign currency translation reserve		
Balance as at the beginning of the year	260.52	209.43
Movement during the year	220.49	51.09
Balance as at the end of the year	**481.01**	**260.52**

Nature and Purpose - Foreign currency translation reserve represents the exchange differences on translation of reporting currency for foreign subsidiaries into the Company's presentation currency.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

18 Borrowings (non-current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Secured		
Term Loans from banks	4,724.06	5,565.04
From Non-Banking Financial Company (NBFC)	1,345.11	393.67
	6,069.17	**5,958.71**
Less: Current maturities of long term borrowings (Refer note 21)	(1,910.34)	(1,928.61)
	4,158.83	**4,030.10**

Nature of security and terms of repayment for secured borrowings

i Loan from a bank and a NBFC are secured by way of first charge on all present and future property, plant and equipment including Land & Building, Plant & Machinery and second charge on all current assets on pari passu basis with lead banker & other members under consortium arrangement. The loans are also secured by personal guarantee of managing director.

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	As at 31 March 2026		As at 31 March 2025		Repayment terms
	Principal o/s (₹ in lakhs)	Effective interest rate in %	Principal o/s (₹ in lakhs)	Effective interest rate in %	
Indian rupee loan from banks					
Bank of India (Repayment start from: February 2022 and last installment in January 2026)	-	-	140.18	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 13.52 lakhs
Bank of India (Repayment start from: May 2022 and last installment in April 2026)	19.20	1 Year RBLR +1 % (9.10%)	126.98	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 9.58 lakhs
Bank of India (Repayment start from: November 2023 and last installment in October 2027)	128.48	1 Year RBLR +1 % (9.10%)	194.77	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 6.79 lakhs
Bank of India (Repayment start from: January 2023 and last installment in June 2026)	97.33	1 Year RBLR +0.85 % (8.95%)	405.85	1 Year RBLR +0.93 % (9.95%)"	Repayable in 42 equated monthly Installments of ₹ 27.78 lakhs
Bank of India (Repayment start from: August 2024 and last installment in July 2029)	566.67	1 Year RBLR +0.85 % (8.95%)	736.67	1 Year RBLR +0.93 % (9.95%)	Repayable in 60 equated monthly Installments of ₹ 14.17 lakhs
Bank of India (Repayment start from: September 2023 and last installment in August 2026)	41.67	1 Year RBLR +0.85 % (8.95%)	141.67	1 Year RBLR +0.93 % (9.95%)	Repayable in 36 equated monthly Installments of ₹ 8.33 lakhs
Bank of India (Repayment start from: December 2025 and last installment in November 2030)	457.43	1 Year RBLR +0.85 % (8.95%)	379.60	1 Year RBLR +0.93 % (9.95%)	Repayable in 60 equated monthly Installments of ₹ 20.84 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: February 2024 and last installment in January 2028)	252.08	PLR minus 4.65% (9.25%)	389.57	PLR minus 11.20% (9.25%)	Repayable in 48 equated monthly Installments of ₹ 11.46 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: May 2024 and last installment in April 2029)	823.32	PLR minus 4.00% (9.90%)"	1,083.32	PLR minus 10.70% (10.50%)	Repayable in 60 equated monthly Installments of ₹ 21.67 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: June 2023 and last installment in November 2025)	-	-	53.33	PLR minus 10.70% (10.50%)	Repayable in 30 equated monthly Installments of ₹ 6.67 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: January 2021 and last installment in December 2023)	1,261.72	PLR minus 4.00% (9.90%)	1,365.75	PLR minus 10.70% (10.50%)	Repayable in 60 equated monthly Installments of ₹ 26.67 lakhs
Indusind Bank Limited, (Repayment start from: July 2024 and last installment in June 2029)	1,183.53	Repo Rate (8.53%)	717.02	3 Month CD Rate (9.28%)	Repayable in 60 equated monthly Installments of ₹ 22.50 lakhs
Indian rupee loan from Non-Banking Financial Company (NBFC)					
Tata Capital Financial Services Limited (Repayment start from: April 2023 and last installment in March 2028)	200.00	LTPLR plus 1.75% (10.50%)	300.00	LTLR minus 10.80% (10.95%)	Repayable in 60 equated monthly Installments of ₹ 8.33 lakhs
Tata Capital Financial Services Limited (Repayment start from: April 2023 and last installment in September 2025)	-	-	99.99	LTLR minus 10.80% (10.95%)	Repayable in 30 equated monthly Installments of ₹ 16.66 lakhs
Tata Capital Financial Services Limited (Repayment start from: October 2025 and last installment in September 2030)	750.00	LTPLR plus 1.75% (10.50%)	-	-	Repayable in 48 equated monthly Installments of ₹ 20.83 lakhs
Tata Capital Financial Services Limited (Repayment start from: October 2025 and last installment in September 2029)	437.50	LTPLR plus 1.75% (10.50%)	-	-	Repayable in 48 equated monthly Installments of ₹ 10.42 lakhs
Deferred expense towards processing fees is netted of against loan.	(149.76)		(175.99)		
	6,069.17		**5,958.71**		

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

Assets Pledged as security

The carrying amounts of assets Pledged as security for current and non-current borrowings of the Parent are:

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Non-current assets		
- Property, plant and equipment (including leasehold land but excluding other right of use assets)	15,257.01	15,205.19
Current assets	25,243.13	21,634.71
Total assets Pledged as security	**40,500.14**	**36,839.90**

19 Lease liabilities (non-current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Lease liabilities (Refer note 42)	83.20	206.97
	83.20	**206.97**

20 Deferred tax liabilities (net)

The movement in deferred tax assets and liabilities during the year ended 31 March 2026 and 31 March 2025:

(₹ in lakhs)

Movement during the year ended 31 March 2026	As at 31 March 2025	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2026
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	1223.97	79.50	-	1,303.47
	1,223.97	**79.50**	**-**	**1,303.47**
Deferred tax assets				
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	124.07	135.34	-	259.41
Loss allowance - trade receivables	23.28	(6.76)	-	16.52
Provision for employee benefits	15.12	16.64	4.03	35.79
Right of use assets and lease liabilities (net)	(68.60)	18.32	-	(50.28)
	93.87	**163.54**	**4.03**	**261.44**
Deferred tax liabilities (net)	**1,130.10**	**(84.04)**	**(4.03)**	**1,042.03**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

(₹ in lakhs)

Movement during the year ended 31 March 2025	As at 31 March 2024	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2025
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	1131.48	92.49	-	1,223.97
	1,131.48	**92.49**	**-**	**1,223.97**
Deferred tax assets				
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	15.87	108.20	-	124.07
Loss allowance - trade receivables	44.24	(20.96)	-	23.28
Provision for employee benefits	13.58	(20.57)	22.11	15.12
Right of use assets and lease liabilities (net)	47.70	(116.30)	-	(68.60)
	121.39	**(49.63)**	**22.11**	**93.87**
Net Deferred tax (assets) / liabilities	**1,010.09**	**142.12**	**(22.11)**	**1,130.10**

20(A) Deferred tax assets (net)

The movement in deferred tax assets and liabilities during the year ended 31 March 2026 and 31 March 2025:

(₹ in lakhs)

Movement during the year ended 31 March 2026	As at 31 March 2025	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2026
Deferred tax assets				
Carry forward business losses/unabsorbed depreciation	0.10	(0.10)	-	-
Provision for employee benefits	24.96	20.92	-	45.88
	25.06	**20.82**	**-**	**45.88**
Minimum alternative tax credit entitlement / (utilisation)	0.03	0.06	-	0.09
Deferred tax assets (net)	**25.09**	**20.88**	**-**	**45.97**

(₹ in lakhs)

Movement during the year ended 31 March 2025	As at 31 March 2024	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2025
Deferred tax assets				
Carry forward business losses/unabsorbed depreciation	-	0.10	-	0.10
Provision for employee benefits	-	24.96	-	24.96
	-	**25.06**	**-**	**25.06**
Minimum alternative tax credit entitlement / (utilisation)	-	0.03	-	0.03
Deferred tax assets (net)	**-**	**25.09**	**-**	**25.09**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

21 Borrowings (current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Secured		
From Banks, repayable on demand		
- Cash credit / packing credit	5,962.75	5,246.07
Unsecured		
From supplier finance arrangements	250.21	-
Current maturities of long term borrowings (Refer note 18)	1,910.34	1,928.61
Interest accrued but not due on borrowings	16.26	11.77
	8,139.56	**7,186.45**

Cash credit/ packing credit from banks are secured by the first charge on all current assets both present and future and second charge on all the property, plant and equipment of the Company both present and future on pari passu basis with all members of consortium. The loans are secured by personal guarantee of Managing Director.

Supplier finance arrangement of the Company is characterised by finance provider offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangement at a date later than suppliers are paid. The arrangement provides the entity with extended payment terms compared to the related invoice payment due date. The range of payment due dates are 90-110 days.

22 Lease liabilities (current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Lease liabilities (Refer note 42)	274.30	356.43
	274.30	**356.43**

23 Trade payables

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Dues of micro enterprises and small enterprises (Refer note below)	847.20	668.46
Dues of creditors other than micro enterprises and small enterprises (Refer note 43)	6,445.68	6,282.12
	7,292.88	**6,950.58**

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Disclosures required under Section 22 of the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006		
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	847.20	668.46
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
d. the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

Note:- This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company.

Ageing of Trade payables

₹ in lakhs

	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026						
Total outstanding dues of micro enterprises and small enterprises	185.95	661.25	-	-	-	847.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,471.65	1,752.91	219.27	1.85	-	6,445.68
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	4,657.60	**2,414.16**	**219.27**	**1.85**	**-**	**7,292.88**
As at 31 March 2025						
Total outstanding dues of micro enterprises and small enterprises	460.55	207.91	-	-	-	668.46
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,336.19	1,944.08	1.85	-	-	6,282.12
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	4,796.74	**2,151.99**	**1.85**	**-**	**-**	**6,950.58**

24 Other financial liabilities (current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Un-claimed dividends*	3.68	9.23
Employee related liabilities	668.58	688.75
Payable for capital expenditure**	396.40	472.38
	1,068.66	**1,170.36**

* During the year unpaid dividend amount of ₹ 5.31 lakhs (pertaining to FY 2017-18) have been transferred to the Investor Education and Protection Fund under section 125 of the Companies Act,2013.

** Includes payable to micro enterprises and small enterprises ₹ 166.89 lakhs (31 March 2025 : ₹ 104.27 lakhs)

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

25 Other current liabilities

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Advance received from customers	1,645.52	317.03
Statutory dues	274.75	257.15
Others	-	38.52
	1920.27	**612.70**

26. Provisions

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits		
Provision for compensated absences	85.94	67.90
	85.94	**67.90**

27 Revenue from operations

₹ in lakhs

	"Year ended 31 March 2026"	"Year ended 31 March 2025"
Sale of products		
Manufactured goods	35,454.39	34,766.35
Stock in trade	549.80	1,522.33
	36,004.19	**36,288.68**
Other operating revenue		
Product service income	912.04	1,080.87
Export incentives	516.64	490.96
Others (including scrap sale etc.)	7.14	42.59
	1,435.82	**1,614.42**
	37,440.01	**37,903.10**

A Disclosure as per Ind AS 115

The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

There are no significant variable components such as discounts, rebates, sales returns etc.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

B Disaggregation of revenue:

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
A. Major Product/Service line:		
- Sale of pharmaceutical goods	36,004.19	36,288.68
- Product service income	912.04	1,080.87
- Others (Export incentives, others, etc.)	523.78	533.55
Total revenue from contracts with customers	**37,440.01**	**37,903.10**
B. Primary geographical market:		
-In India	5,944.28	6,656.94
-Outside India	31,495.73	31,246.16
Total revenue from contracts with customers	**37,440.01**	**37,903.10**
C. Timing of the revenue recognition:		
- Goods/services transferred at a point in time	37,440.01	37,903.10
- Goods/services transferred over time	-	-
Total revenue from contracts with customers	**37,440.01**	**37,903.10**

C Contract Balances

Significant changes in contract liabilities balances are as follows:

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Contract Liabilities		
Advance received from customers (Refer note 25)		
Opening Balance	317.03	945.05
Add: Advance received during the year	7,742.83	5,865.44
Less: Revenue recognised/adjustment during the year	6,414.34	6,493.46
Less: Advance returned during the year	-	-
Closing balance	**1,645.52**	**317.03**

The contract liabilities primarily relate to the advance consideration received from customers for the sale of goods. This amount will be recognised as revenue within a period of one year.

28 Other income

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Interest income on financial assets measured at amortised cost		
-Fixed deposits	16.35	5.11
-Others (including interest income on utility deposits , security deposits etc.)	16.29	27.40
Dividend income on investments	0.75	0.75
Foreign exchange gain (net)	767.85	414.44
Reversal of loss allowance - trade receivables (Refer note no 38 (B))	23.20	71.97
Profit on sales of assets	255.19	33.51
Other non-operating income (includes liabilities no longer required written back etc.)	58.67	25.23
	1,138.30	**578.41**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

29 Cost of materials consumed

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Opening inventory	5,668.06	4,966.52
Add: Purchases	16,585.61	16,201.94
Less: Closing inventory	5,848.91	5,668.06
	16,404.76	**15,500.40**

30 Purchase of stock in trade

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Purchase of stock in trade	**746.83**	**1,157.82**

31 Changes in inventories of finished goods and work- in- progress

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
At the end of the year		
Work-in-progress	537.99	745.21
Finished goods	2,843.68	2,022.32
	3,381.67	**2,767.53**
At the beginning of the year		
Work-in-progress	745.21	197.17
Finished goods	2,022.32	2,697.01
	2,767.53	**2,894.18**
	(614.14)	**126.65**

32 Employee benefits expenses

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, wages and bonus	5,661.35	5,446.02
Contribution to provident and other funds (Refer note 45(a))	208.03	189.49
Equity settled share based payments to employees (Refer note 47)	113.49	135.40
Gratuity expense (Refer note 45)	75.31	69.60
Staff welfare expenses	332.20	235.47
	6,390.38	**6,075.98**

33 Finance costs

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Interest costs		
on borrowings	1,123.43	926.94
on lease liabilities (Refer note 42)	52.27	77.49
on supplier finance arrangments	6.89	-
Interest on delayed payment of income tax	25.02	20.25
Other borrowing costs (including ancilliary costs to borrowings)	112.62	114.14
	1,320.23	**1,138.82**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

34 Depreciation and amortisation expenses

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation on property, plant and equipment (Refer note 3)	1,718.82	1,825.59
Amortisation of intangible assets (Refer note 5 (A))	278.98	185.75
	1,997.80	**2,011.34**

35 Other expenses

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Consumption of stores and spares	97.61	89.10
Power and fuel	1,796.63	1,719.69
Water charges	20.32	19.37
Insurance	104.87	67.54
Repairs and maintenance		
Machines	519.45	416.80
Buildings	220.06	41.38
Others	418.21	336.94
Contract labour	2,592.31	2,329.68
Printing & stationery	54.20	41.38
Communication costs	53.85	52.14
Legal and professional fees	1,308.01	1,206.24
Payment to auditors (Refer note below (a))	66.12	63.70
Advertisement & sales promotion	282.86	253.92
Travelling and conveyance	594.68	540.28
Commission on sales	1,308.11	1,261.00
Freight and forwarding charges	860.46	896.66
Bad debts written off	78.11	212.71
Rates and taxes	64.21	15.34
Property, plant and equipment written off	3.51	13.71
Rent (Refer note 42)	39.36	34.38
Laboratories Expenses	587.76	623.48
Corporate social responsibility expenses (Refer note 52)	53.49	48.53
Miscellaneous expenses (includes bank commission, factory expensec etc.)	386.98	385.59
	11,511.17	**10,669.56**

Note

(a) Payment to auditors (of the Parent Company) (excluding taxes)

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
For audit	60.00	51.75
For other services	3.50	10.00
For reimbursement of expenses	2.62	1.95
	66.12	**63.70**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

36 Tax (expense)

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Current tax for the year (net of Minimum alternative tax utilisation ₹ Nil (31 March 2025 : ₹ 30.74 lakhs))	(342.70)	(419.55)
Tax adjustments pertaining to earlier years	0.31	(47.86)
Deferred tax expenses		
Increase / (Decrease) in deferred tax assets	188.45	(2.43)
(Increase) in deferred tax liabilities	(79.50)	(92.49)
	108.95	**(94.92)**
	(233.44)	**(562.33)**
Tax (expense) / credit recognised in Statement of profit and loss	(237.47)	(584.44)
Tax (expense) / credit recognised in other comprehensive income	4.03	22.11
	(233.44)	**(562.33)**

Tax reconciliation

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Profit before tax	**821.28**	**1,800.94**
Tax at the rate of 29.12% (31 March 2025 : 29.12%)	(239.16)	(524.43)
Tax adjustment pertaining to earlier years	0.31	(47.86)
Tax effect of amounts which are mentioned below		
Income/(expenses) exempted from income taxes	1.31	13.22
Difference in tax rates for certain entities of the Group	(0.73)	0.72
Permanent Disallowances	(7.28)	(5.82)
Allowances / Disallowances under specific provisions of Income tax act, 1961 (net)	27.03	1.84
Disallowance of Donation/Corporate social responsibility expenses	(18.95)	(22.11)
	(237.47)	**(584.44)**

37 Fair value measurements

Financial instruments by category:

All financial assets and financial liabilities, except investment in equity shares (not made in subsidiaries) of the Company are under the amortised cost measurement category at each of the reporting date.

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received on selling of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets and liabilities measured at fair value at each reporting date

Investment in equity shares (other than subsidiaries) are measured at fair value through profit or loss at each reporting date.

Financial assets and financial liabilities measured at amortised cost, but for which fair values are disclosed as below:

(₹ in lakhs)

Fair value for assets and liabilities measured at amortised cost	31 March 2026				31 March 2025			
	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3	Carrying amount
Financial liabilities								
Non-current borrowings (including current maturities)	-	6,069.17	-	6,069.17	-	5,958.71	-	5,958.71
Lease liabilities	-	-	357.50	357.50	-	-	563.40	563.40
Financial assets								
Non-current investment (excluding Investment in subsidiaries)	-	-	5.00	5.00	-	-	5.00	5.00
Other financial assets	-	-	300.60	300.60	-	-	260.82	260.82

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of security deposits, trade receivables, current loans, other financial assets, fixed deposits with banks, current borrowings, trade payables, lease liabilities and other current financial liabilities are considered to be approximately equal to their fair value.

Valuation processes

The Group evaluates the fair value of financial assets and financial liabilities on periodic basis using the best and most relevant data available.

38 Financial risk management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Risk Committee.

The Group is exposed to market risk, credit risk and liquidity risk.

A Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Chief financial officer. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market risk - Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

According to the Group, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

₹ in lakhs

Particulars	As at 31 March 2026	As at 31 March 2025
Total Borrowings	12,298.39	11,216.55
% of Borrowings out of above bearing variable rate of interest	100%	100%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax and Other Equity

₹ in lakhs

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
50 bp increase would decrease the profit before tax by	(61.49)	(56.08)
50 bp increase would decrease the profit before tax by	61.49	56.08

Market risk - Foreign currency risk management

The Group operates internationally wherein portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31 March 2026

(Amount in lakhs)

Particulars	USD		EURO		AED		CAD		GBP	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	74.37	7,058.55	2.76	300.71	-	-	-	-	0.29	36.24
Trade payables	4.61	437.41	0.36	38.89	0.18	4.23	0.02	1.42	-	-
Advance received from customers	2.17	197.72	0.17	18.09	-	-	-	-	-	-
Balance in EEFC Account	0.00	0.04	-	-	-	-	-	-	-	-
PCFC and PFCFC	10.00	948.55	-	-	-	-	-	-	-	-
Export commission	8.59	814.36	0.37	40.85	-	-	-	-	-	-

As at 31 March 2025

(Amount in lakhs)

Particulars	USD		EURO		AED		CAD		GBP	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	80.49	6,881.05	4.91	452.56	-	-	0.32	19.31	0.66	73.48
Trade payables	13.16	1,124.82	0.37	33.73	-	-	0.01	0.36	-	-
Advance received from customers	2.72	235.07	-	-	-	-	-	-	-	-
Balance in EEFC Account	0.29	24.50	-	-	-	-	-	-	-	-
PCFC and PFCFC	8.54	730.16	-	-	-	-	-	-	-	-
Export commission	6.04	516.61	0.93	86.04	0.93	21.53	-	-	-	-

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

Sensitivity to foreign currency risk

(Rs. in lakhs)

Particulars	Impact on profit before tax and Other Equity	
	Year ended 31 March 2026	Year ended 31 March 2025
USD sensitivity		
INR / USD		
Increase by 5%	233.03	214.94
Decrease by 5%	(233.03)	(214.94)
EURO sensitivity		
INR / EURO		
Increase by 5%	10.14	16.64
Decrease by 5%	(10.14)	(16.64)
AED sensitivity		
INR / AED		
Increase by 5%	(0.21)	(1.08)
Decrease by 5%	0.21	1.08
CAD sensitivity		
INR / CAD		
Increase by 5%	(0.07)	0.95
Decrease by 5%	0.07	(0.95)
GBP sensitivity		
INR / CAD		
Increase by 5%	1.81	3.67
Decrease by 5%	(1.81)	(3.67)

B Credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

The presumption under Ind AS 109 with reference to significant increase in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Group, as the Group is able to collect a significant portion of its receivables that exceed the due date and the receivables past due by 90 days are considered as significant increase in credit risk.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

Credit risk management

To manage credit risk, the Group periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. There is no significant concentration of credit risk.

Bank balances are held with only high rated banks and majority of security deposits are placed majorly with government agencies. Trade receivables are generally recovered within the credit period. The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Trade receivables

(Rs. in lakhs)

	Not due	0-12 months	1-2 years	2-3 years	more than 3 years	Total
As at 31 March 2026						
Gross Carrying amount of - trade receivables	7,424.30	3,398.97	110.62	5.11	21.58	10,960.58
Gross Carrying amount of - contract assets	-	-	-	-	-	-
Expected credit loss - trade receivables (%)	0.01%	0.12%	0.45%	29.35%	67.84%	
Expected credit loss - trade receivables	0.71	3.99	0.50	1.50	14.64	21.34
Expected credit impaired - trade receivables	-	-	28.50	-	6.94	35.44
Carrying amount of trade receivables (net of impairment)	**7,423.59**	**3,394.98**	**81.62**	**3.61**	**-**	**10,903.80**
Carrying amount of contract assets (net of impairment)	-	-	-	-	-	-
As at 31 March 2025						
Gross Carrying amount of - trade receivables	8,202.60	2,456.03	32.58	51.55	29.25	10,772.01
Gross Carrying amount of - contract assets	-	-	-	-	-	-
Expected credit loss - trade receivables (%)	0.01%	0.10%	2.15%	0.00%	100.00%	
Expected credit loss - trade receivables	1.16	2.39	0.70	-	29.25	33.50
Expected credit impaired - trade receivables	-	-	-	46.48	-	46.48
Carrying amount of trade receivables (net of impairment)	**8,201.44**	**2,453.64**	**31.88**	**5.07**	**-**	**10,692.03**
Carrying amount of contract assets (net of impairment)	-	-	-	-	-	-

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Reconciliation of loss allowance of trade receivables

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	79.98	151.95
Additions	28.50	37.18
Reversal against recoveries/bad debts	(51.70)	(109.15)
	(23.20)	**(71.97)**
Balance at the end of the year	**56.78**	**79.98**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

C Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Group, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables, lease liabilities and other financial liabilities.

Liquidity risk management

The Group's corporate treasury department is responsible for liquidity and funding as well as settlement management. The processes and policies related to such risks are overseen by Chief financial officer. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of non – derivative financial liabilities

As at 31 March 2026

(₹ in lakhs)

Particulars	0 month to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-current borrowings (including current maturities) (non-discounted)	2,498.95	4,878.14	-	7,377.09
Current Borrowings	5,962.75	-	-	5,962.75
Interest accrued but not due on borrowings	16.26	-	-	16.26
Trade payables	7,292.88	-	-	7,292.88
Lease liabilities (non-discounted)	313.87	90.69	-	404.56
Other current financial liabilities	1,068.66	-	-	1,068.66
Total	**17,153.37**	**4,968.83**	**-**	**22,122.20**

As at 31 March 2025

(₹ in lakhs)

Particulars	0 month to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-current borrowings (including current maturities) (non-discounted)	2,444.33	4,922.85	-	7,367.18
Current Borrowings	5,246.07	-	-	5,246.07
Interest accrued but not due on borrowings	11.77	-	-	11.77
Trade payables	6,950.58	-	-	6,950.58
Lease liabilities (non-discounted)	494.10	404.57		898.67
Other current financial liabilities	1,170.36	-	-	1,170.36
Total	**16,317.21**	**5,327.42**	**-**	**21,644.63**

39 Capital management

Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders. The Company has complied with financial covenants.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
The capital composition is as follows:		
Net debt#	9,786.20	11,021.89
Total equity	29,615.41	25,223.80
Net debt to equity ratio	**33%**	**44%**

includes non-current borrowings (including current maturities), current borrowings and Interest accrued but not due on borrowings (net of cash and cash equivalents)

40 Changes in liabilities arising from financing activities

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Cash and cash equivalents	2,512.19	194.66
Non- current borrowings	(6,069.17)	(5,958.71)
Current borrowings	(6,212.96)	(5,246.07)
Lease liabilities	(357.50)	(563.40)
Interest accrued but not due on borrowings	(16.26)	(11.77)
Net Debt	**(10,143.70)**	**(11,585.29)**

(₹ in lakhs)

	Cash and cash equivalents	Non- current borrowings (including current maturities)	Current borrowings	Lease liabilities	Interest accrued but not due on borrowings	Total
Net as at 01 April 2024	**960.02**	**(5,117.32)**	**(5,503.96)**	**(542.13)**	**(13.98)**	**(10,217.37)**
Cash flows (net)	(765.36)	(930.38)	252.65	358.16	-	(1,084.93)
Adjustments on account of financial liabilities measured at amortised cost	-	88.99	-	(379.43)	-	(290.44)
Exchange differences	-	-	5.24	-	-	5.24
Finance cost expense	-	-	-	-	(1,138.82)	(1,138.82)
Finance cost paid	-	-	-	-	1,141.03	1,141.03
Net as at 31 March 2025	**194.66**	**(5,958.71)**	**(5,246.07)**	**(563.40)**	**(11.77)**	**(11,585.29)**
Cash flows (net)	2,317.53	(84.22)	(934.08)	393.88	-	1,693.11
Adjustments on account of financial liabilities measured at amortised cost	-	(26.24)	-	(187.98)	-	(214.22)
Exchange differences	-	-	(32.81)	-	-	(32.81)
Finance cost expense	-	-	-	-	(1,320.23)	(1,320.23)
Finance cost paid	-	-	-	-	1,315.74	1,315.74
Net as at 31 March 2026	**2,512.19**	**(6,069.17)**	**(6,212.96)**	**(357.50)**	**(16.26)**	**(10,143.70)**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

41 Subsidiaries considered in the consolidated financial statement are as follows :

₹ in lakhs

Sr. No	Name of the Subsidiaries	Principal place of business and country of incorporation	Proportion of ownership interest
1	ZIM Laboratories FZE	UAE	100.00%
2	ZIM Health Technologies Limited	INDIA	100.00%
3	SIA ZIM Laboratories Limited	LATVIA	100.00%
4	ZIM Thinorals Private Limited	INDIA	100.00%
5	ZIMTAS PTY Limited	AUSTRALIA	99.96%
6	ZIM Laboratories Middle East DMCC (up to 23 February 2026)*	UAE	70.00%
7	ZIM Scientific Office L.L.C (w.e.f. 15 November 2024) **	UAE	100.00%

* During the year ZIM Laboratories Middle East DMCC, a company registered with Dubai Multi Commodities Centre Authority (DMCC) has been liquidated effective 23 February 2026.

** This has been consolidated with ZIM Laboratories FZE since it's a wholly owned subsidiary of ZIM Laboratories FZE.

Statement pursuant to details to be furnished for subsidiaries as prescribed by Companies Act, 2013

Name of the entity	2025-26							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	(₹ in lakhs)	As % of consolidated profit or loss	(₹ in lakhs)	As % of other Comprehensive Income	(₹ in lakhs)	As % of total Comprehensive Income	(₹ in lakhs)
Parent: ZIM Laboratories Limited	96.69%	28,635.21	102.18%	596.52	-4.66%	(9.82)	73.85%	586.70
Foreign subsidiaries								
ZIM Laboratories FZE	6.54%	1,936.11	23.56%	137.54	73.88%	155.65	36.90%	293.19
SIA ZIM Laboratories Limited	1.30%	385.46	-16.43%	(95.94)	26.05%	54.87	-5.17%	(41.07)
ZIMTAS PTY Limited	0.44%	129.54	-6.37%	(37.16)	4.73%	9.97	-3.42%	(27.19)
Indian subsidiaries								
ZIM Health Technologies Limited	0.89%	262.72	-2.99%	(17.44)	-	-	-2.20%	(17.44)
ZIM Thinorals Private Limited	0.03%	10.02	0.05%	0.31	-	-	0.04%	0.31
Total elimination/adjustment	**-5.89%**	**(1,743.65)**	**0.00%**	**(0.02)**	**0.00%**	**-**	**0.00%**	**(0.02)**
TOTAL	**100.00%**	**29,615.41**	**100.00%**	**583.81**	**100.00%**	**210.67**	**100.00%**	**794.48**
Attributable to								
Owners	100.00%	29,615.36	100.00%	583.81	100.00%	210.67	100.00%	794.48
Non-controlling interest	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

Name of the entity	2024-25							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	(₹ in lakhs)	As % of consolidated profit or loss	(₹ in lakhs)	As % of other Comprehensive Income	(₹ in lakhs)	As % of total Comprehensive Income	(₹ in lakhs)
Parent: ZIM Laboratories Limited	96.94%	24,451.38	96.54%	1,174.40	1957.82%	(53.84)	92.32%	1,120.56
Foreign subsidiaries								
ZIM Laboratories FZE	6.51%	1,642.90	9.65%	117.41	-1978.18%	54.40	14.16%	171.81
SIA ZIM Laboratories Limited	0.53%	134.78	-5.39%	(65.59)	54.18%	(1.49)	-5.53%	(67.08)
ZIMTAS PTY Limited	0.27%	67.27	-0.27%	(3.32)	66.18%	(1.82)	-0.42%	(5.14)
Indian subsidiaries								
ZIM Health Technologies Limited	0.79%	199.70	-0.55%	(6.73)	0.00%	-	-0.55%	(6.73)
ZIM Thinorals Private Limited	0.04%	9.71	0.03%	0.31	0.00%	-	0.03%	0.31
Total elimination/adjustment	**-5.08%**	**(1,281.94)**	**-**	**0.02**	**0.00%**	**0.00**	**0.00%**	**0.02**
TOTAL	**100.00%**	**25,223.80**	**100.00%**	**1,216.50**	**100.00%**	**(2.75)**	**100.00%**	**1,213.75**
Attributable to								
Owners	100.00%	25,223.75	100.00%	1,216.52	100.00%	(2.75)	100.00%	1,213.77
Non-controlling interest	0.00%	0.05	0.00%	(0.02)	0.00%	-	0.00%	(0.02)

42 Leases

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Right of use Assets (Refer note 3) :		
Leasehold Land*	1228.12	1067.28
Other Right of use Assets		
Buildings	83.29	103.62
Plant and equipment	297.08	519.33
	380.37	**622.95**
	1,608.49	**1,690.23**
Lease liabilities		
Current (Refer note 22)	274.30	356.43
Non-current (Refer note 19)	83.20	206.97
	357.50	**563.40**

* There are no lease liabilities in respect of the leasehold land as the entire amount has been paid upfront on the date of the execution of the lease agreement with respective authorities.

₹ in lakhs

Amounts recognised in statement of profit and loss	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation charge on (Refer note 3)		
Leasehold Land	14.27	12.88
Other Right of use Assets		
Buildings	88.37	71.06
Plant and equipment	372.39	370.07
	460.76	**441.13**
	475.03	**454.01**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

₹ in lakhs

Amounts recognised in statement of profit and loss	Year ended 31 March 2026	Year ended 31 March 2025
Interest expense included in finance cost (Refer note 33)	52.27	77.49
Expense relating to short-term leases (Refer note 35)	39.36	34.38
Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
Expense relating to variable lease payments not included in lease liability	-	-
Total cash outflow for leases during current financial year (excluding short term leases)	393.88	358.16
Additions to the right of use assets during the current financial year	646.34	911.61

43 Related Party Disclosures

As per Ind AS 24 "Related Party Disclosures", disclosure of transactions, balances and gurantees with the related parties as defined in the Indian Accounting Standard are given below:

A. List of related parties and relationship (to the extent where transactions have taken place and relationship of control):

(i) Key Managerial Personnel	Nature of relationship
Dr. Anwar S. Daud	Managing Director and shareholder with significant influence
Mr. Zulfiquar Kamal	Director (Finance)
Mr. Niraj Dhadiwal	Executive Director
Mr. Prakash Sapkal	Executive Director
Mr. Padmakar Joshi	Independent Director
Mrs. Kavita Loya	Independent Director
Dr. Kamlesh Shende	Independent Director
Dr. Kakasaheb Mahadik (upto 31 March 2025)	Independent Director
Mr. Ashok Bhatia (w.e.f. 01 April 2025)	Independent Director
Mr. Piyush Nikhade	Company Secretary & Compliance Officer
Mr. Shyam Mohan Patro	Chief Financial Officer

(ii) Key Managerial Personnel: Wholly owned subsidiary companies

Dr. Chandrashekhar Mainde	Executive Director and Chief Executive Officer (ZIM Health Technologies Limited, India)
Mrs. Payal Moolchandani (from 10 October 2025)	Director (ZIMTAS PTY Limited, Australia)
Mrs. Rashida Daud	General Manager (ZIM Laboratories FZE, UAE)

(iii) Related Parties: Wholly owned subsidiary companies

Pachira Financial Services LLP, India	Partnership LLP in which director of ZIM Health Technologies Limited, India is a Partner
Mr. Girdhar Balwani (w.e.f. 10 October 2025)	Father of Director of ZIMTAS PTY Limited, Australia

(iv) Other significant influences

Elizabeth Mathew (upto 11 November 2025)	Shareholder exercising significant influence
Elimath Advisors Private Limited (w.e.f. 11 November 2025)	Shareholder exercising significant influence
Zakir Vali (upto 13 March 2026)	Shareholder exercising significant influence

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

B. Nature of transactions:

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
1) Remuneration*		
Dr. Anwar S. Daud	154.08	146.74
Mr. Zulfiquar Kamal	130.91	119.60
Mr. Niraj Dhadiwal	95.81	100.23
Mr. Prakash Sapkal	94.34	109.64
Mr. Piyush Nikhade	52.37	43.14
Mr. Shyam Mohan Patro	90.79	81.05
Dr. Chandrashekhar Mainde	264.00	120.00
Mrs. Rashida Daud	17.42	16.59
Mrs. Payal Moolchandani	2.67	-
2) Director's fees		
Mr. Padmakar Joshi	7.00	7.00
Mrs. Kavita Loya	9.00	9.00
Dr. Kamlesh Shende	7.00	7.00
Dr. Kakasaheb Mahadik	-	7.00
Mr. Ashok Bhatia	20.00	-
3) Professional fees (expenses)		
Pachira Financial Services LLP, India	70.00	72.00
Mr. Girdhar Balwani (w.e.f. 10 October 2025)	8.62	-
4) Rent paid		
Dr. Anwar S. Daud	29.25	28.45
Dr. Chandrashekhar Mainde	24.60	6.00
5) Share Application Money received, shares were allotted during the year under ESOS		
Mr. Piyush Nikhade	2.32	-
Mr. Shyam Mohan Patro	3.10	-

C. Balances outstanding at year end

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Advance for expenses to Key Managerial Personnel		
Dr. Chandrashekhar Mainde	-	0.34
Payable to Key Managerial Personnel		
Dr. Anwar S. Daud	8.02	6.34
Mr. Zulfiquar Kamal	8.32	5.80
Mr. Niraj Dhadiwal	4.38	3.94
Mr. Prakash Sapkal	3.43	1.61
Mr. Piyush Nikhade	1.53	1.66
Mr. Shyam Mohan Patro	3.71	3.34
Dr. Chandrashekhar Mainde	22.38	-
Mrs. Rashida Daud	1.55	1.40
Mrs. Payal Moolchandani	1.10	-

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Trade payable		
Dr. Anwar S. Daud	6.16	6.40
Mr. Padmakar Joshi	0.53	1.58
Mrs. Kavita Loya	0.68	2.03
Dr. Kamlesh Shende	0.53	1.58
Dr. Kakasaheb Mahadik	-	1.58
Pachira Financial Services LLP, India	1.20	5.40
Dr. Chandrashekhar Mainde	2.38	2.16

Key Managerial Personnel' compensation

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
a) Short- term employee benefits	930.48	756.76
b) Post- employment benefits	14.91	10.23
Total compensation	**945.39**	**766.99**

* The remuneration to Key management personnel does not include provision for employee benefits determined on actuarial basis.

All the transactions stated above with related parties are on arm's length basis and in normal course of business.

All borrowings are guaranteed by the managing director of the Company (Refer notes 18 and 21).

44 Contingent liabilities and commitments

(A) Contingent liabilities

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Income Tax Assessments for earlier years for disallowance of expenditure, pending in appeal	395.95	395.95
Input tax credit mismatch under GST , pending in appeal	28.73	-
Import Duty saved under the Advance License scheme considering export obligation to be fulfilled within the period allowed	585.07	57.89

Notes:

1. The Group does not expect any reimbursement in respect of the above contingent liabilities.
2. It is not practical to estimate the timing of cash outflows, if any, in respect of matters above, pending resolution/completion of the appellate proceedings/other proceedings, as applicable.

(B) Commitments

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Estimated value of contracts in capital account remaining to be executed (net of capital advance)	1,100.09	1,117.88

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

45 Employee benefits

As per Indian Accounting Standard-19, 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Employer's Contribution to Provident fund	141.08	146.02
Employer's Contribution to ESIC	8.61	8.52
Employer's Contribution to Labour welfare/other fund	3.22	2.62
Employer's Contribution to Pension fund	55.12	32.33
	208.03	**189.49**

(b) Defined Benefits Plan :

Gratuity

Under the gratuity plan, every employee is entitled to the benefit equivalent to fifteen days salary (as per last drawn salary) for each completed year of service or part thereof in excess of six months depending on the date of joining and eligibility terms, in terms of provisions of the Payment of Gratuity Act,1972 and Code on Wages, 2019. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service for permanent employees and one years of continuous service for fixed term employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method. The scheme is funded with an insurance company in the form of qualifying insurance policy for permanent employees and unfunded for fixed term employees classified as part of "Contractual services"

Changes to Employee Benefits upon notification of Labour Codes

The Government of India notified the Code on Wages , 2019, the Industrial Relations Code, 2020, the Code on Social Security , 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "Labour Codes"). These Labour Codes, which have become effective from 21 November 2025, consolidate and rationalise 29 labour laws and introduce, among other matters, a uniform definition of "Wages". Also the Labour Codes have modified certain employee benefits and eligibility conditions in respect of those benefits. Accordingly, during the year, the Group has recognised past service cost on account of eligibility of fixed term employees under Gratuity benefits in the Statement of Profit and Loss and classified as part of "Contractual services".

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Mortality Table	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Discount rate	7.23%	6.65%
Discount rate- fixed term employees	6.48%	-
Salary growth rate	5.00%	5.00%
Withdrawal rate	12.00%	12.00%
Withdrawal rate- fixed term employees	0.00%	-
Expected rate & return on Plan assets	7.23%	6.65%
Expected rate & return on Plan assets- fixed term employees	N.A.	-

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Changes in the Fair value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	1,055.07	931.68
Interest Income	70.16	66.99
Employer's Contribution	12.98	54.45
Benefits Paid	-	-
Actuarial adjustment: Return on plan assets, excluding amount recognised in net interest expense	(2.22)	1.95
Fair Value of Plan Assets at the end of the year	**1,135.99**	**1,055.07**
Changes in the Present Value of Obligation		
Present Value of Obligation at the beginning of the year	999.70	898.64
Current Service Cost	78.99	71.97
Interest Expenses or Cost	66.48	64.61
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in the demographic assumptions	-	-
- change in the financial assumptions	(28.25)	24.27
- experience variance (i.e. Actual experience v/s assumptions)	39.87	53.63
Past Service Cost	41.90	-
Benefits Paid	(92.69)	(113.42)
Present Value of Obligation at the end of the year	**1,106.00**	**999.70**

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Amount recognised in the Balance Sheet		
Present Value of Obligation at the end of the year	1,106.00	999.70
Fair Value of Plan Assets at the end of the year	(1,135.99)	(1,055.07)
Net (Asset) recognised at the end of the year	**(29.99)**	**(55.37)**
Percentage of each category of plan assets to total fair value of plan assets as at year end:		
Administered by Life Insurance Corporation of India	100.00%	100.00%

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Expenses recognised in the Statement of Profit and Loss		
Current service cost	78.99	71.97
Past service cost	41.90	-
Loss/ (gain) on settlement	-	-
Net Interest cost / (income) on the Net Defined Benefit Liability / (Asset)	(3.68)	(2.37)
Total expenses recognised in the Statement of Profit and Loss	**117.21**	**69.60**
Actuarial (gain) / loss		
Actuarial (gain) / loss on Obligation for the period	11.63	77.90
Return on Plan Assets, excluding interest income	2.22	(1.95)
Actuarial (gain) / loss recognised in Other Comprehensive Income	**13.85**	**75.95**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	6 years	6 years
Weighted average duration (based on discounted cash flows)- fixed term employees	2 years	-

Expected cash flows over the next (valued on undiscounted basis) as follows :

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Year 1	182.44	181.45
Year 2	169.45	113.25
Year 3	138.93	116.39
Year 4	137.62	115.22
Year 5	127.86	115.52
Thereafter	871.57	813.10

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, withdrawal rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Defined Benefit Obligation (Base)	1,106.00	999.70

₹ in lakhs

	Year ended 31 March 2026		Year ended 31 March 2025	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	50.16	(45.54)	48.63	(43.95)
(% change compared to base due to sensitivity)	4.5%	-4.1%	4.9%	-4.4%
Salary Growth Rate (-/+ 1%)	(42.19)	44.61	(41.11)	43.84
(% change compared to base due to sensitivity)	-3.8%	4.0%	-4.1%	4.4%
Attrition Rate (+/- 1%)	(6.15)	5.46	(4.62)	4.09
(% change compared to base due to sensitivity)	-0.6%	0.5%	-0.5%	0.4%

(c) Compensated absences

The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and net charge to the Statement of Profit and Loss for the year under "Employee benefits expenses" is ₹ 226.76 lakhs (Previous Year: ₹ 205.89 lakhs) and under "Contractual services" is ₹ 3.15 lakhs (Previous Year: ₹ Nil).

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

46 Segment information

The Group is primarily engaged in the business of pharmaceuticals. The Group has entrusted decision making authority to the Managing Director (highest authority) who is the Chief Operating Decision Maker (CODM) who has complete control over the operating decisions and is responsible for the information presented to the Board of Directors. Managing Director reviews the Group's performance based on the analysis of the Profit Before Tax (PBT) at an overall entity level and therefore there is no other separate reportable segment for the Group as defined by Ind AS 108 "Operating Segment".

Information about geographical areas are as under :

(Rs. in lakhs)

Particulars	31 March 2026			31 March 2025		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from operations *	5,944.28	31,495.73	37,440.01	6,656.94	31,246.16	37,903.10
Carrying amount of segment assets (non-current)**	21,976.52	3,978.06	25,954.58	20,719.82	3,006.23	23,726.05
Carrying amount of segment assets (current)***	14,140.84	9,091.60	23,232.44	13,969.52	8,904.38	22,873.90
Capital expenditure for the year	3,420.94	1,150.73	4,571.67	4,198.68	1,023.44	5,222.12
- Tangible	3,346.72	-	3,346.72	4,068.06	5.82	4,073.88
- Intangible	74.22	1,150.73	1,224.95	130.62	1,017.62	1,148.24

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2.1

*As per Ind AS 108 - Operating Segments, the Company is required to disclose revenue from individual external customers when it is 10 per cent or more of entity's revenue. Details of individual external customers has revenue equal to or more than 10 per cent Group's revenue are as follows :

(₹ in lakhs)

Customer	31 March 2026			31 March 2025		
	In India	Outside India	Total	In India	Outside India	Total
Customer A	-	6,002.57	6,002.57	-	3,730.69	3,730.69

**The carrying amount of non-current segment assets exclude financial assets, income tax assets (net).

***The carrying amount of current segment assets exclude Cash and cash equivalents, Bank balances other than cash and cash equivalents & Interest receivable.

47 Share based payments

₹ in lakhs

	31 March 2026	31 March 2025
Share based payments		
Equity settled share based payments to employees	113.49	135.40
Share options outstanding reserve	243.44	135.40

Resolution passed by Nomination & Remuneration committee and Board at its meeting dated 23 December 2023 and the shareholders through postal ballot on 28 January 2024 had approved the 'ZIM Laboratories Employee Stock Option Scheme 2023' ("ESOS 2023"/ "Scheme"), to create, offer, issue, grant and allot from time to time, in one or more tranches, not exceeding 994,404 (Nine Lakhs Ninety-four Thousand Four Hundred and Four) employee stock options ("Options") to the eligible employees of the Company and/or its subsidiary companies exercisable into not more than 994,404 (Nine Lakhs Ninety-four Thousand Four Hundred and Four) equity shares.

During the previous year, the Nomination and Remuneration Committee in its meeting held on 13 April 2024 granted 687,257 options to the eligible employees of the group at an exercise price of ₹ 77.40. Remaining options of 307,147 are available in the ESOP Pool to be granted to the employees of the group.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

I. The position of the ESOS of the Company as at 31 March 2026 is as under:

S.No.	Particulars	ESOS
1	Total number of stock options approved	9,94,404
2	Maximum term of Options granted (years)	2 years from date of last vesting or 6 years from the date of grant
3	Source of shares (Primary, Secondary or combination)	Primary
4	Variation in terms of options	No variation
5	Exercise Price per option	at a discount of 20% on market price on grant date (i.e. ₹ 77.40)
6	The exercise period	Exercise anytime within two year from date of vesting
7	Weighted average exercise price* (₹)	77.40
8	Weighted average remaining life (in years)	4

*The Black Scholes valuation model has been used for computing weighted average fair value of option on grant date considering the following information:

Particulars	Particulars
1. Risk Free Interest Rate	7.01%
2. Expected Life (year)	4
3. Expected Volatility	55.79%
4. Dividend Yield	0.00%

II. Weighted average exercise price of options granted during the year whose

Exercise price equals to market price of the stock	Nil
Exercise price exceeds market price of the stock	Nil
Exercise price is less than the market price of the stock	77.40

III. Weighted average fair value of options granted during the year whose

Exercise price equals to market price of the stock	Nil
Exercise price exceeds market price of the stock	Nil
Exercise price is less than the market price of the stock	54.44

IV. The movement of stock options during the year ended 31 March 2026 are summarized below:

Particulars	Number of options
Options outstanding at the beginning of the year	6,87,257
Options Forfeited / lapsed during the year	Nil
Options granted during the year	Nil
Options vested during the year	68,726
Options exercised during the year	10,000
Total number of shares arising as a result of exercise of options	10,000
Money realised by exercise of options	774000
Expired during the year	Nil
Options outstanding at the end of the year	6,77,257
Options exercisable at the end of the year	58,726

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

V. The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at 31 March 2026 is as follows:

Grant Date	Number of options	Vesting Date	Exercise End Date	Exercise Price	Expected remaining contractual life
13 April 2024	68,726	14 April 2025	13 April 2027	77.40	1.04
13 April 2024	1,37,451	14 April 2026	13 April 2028	77.40	2.04
13 April 2024	2,06,177	14 April 2027	13 April 2029	77.40	3.04
13 April 2024	2,74,903	14 April 2028	13 April 2030	77.40	4.04

VI. Cash inflow on exercise of options and weighted average share price at the date of exercise: Not applicable, as options not exercised during the year.

VII. The estimates of future cash inflow that may be received upon exercise of options:

₹ in lakhs

	Year ended 31 March 2026	Year Ended 31 March 2025
Within one year	106.39	53.19
Between two years to five years	372.36	478.75

48 Earnings per share

₹ in lakhs

		Year ended 31 March 2026	Year Ended 31 March 2025
I.	**Profit Computation for both Basic and Diluted Earnings per share:**		
	Net Profit attributable to equity share holders	583.81	1,216.52
II.	**Computation of weighted average number of equity shares :**		
	Weighted average number of equity shares in calculating basic EPS	4,89,79,144	4,87,25,814
	Weighted average number of equity shares in calculating diluted EPS	4,89,79,144	4,87,25,814
III.	**Earnings Per Share:**		
	Basic Earning Per Share (Rs.) (Face value of Rs. 10 per share)	1.19	2.50
	Diluted Earning Per Share (Rs.) (Face value of Rs. 10 per share)	1.19	2.50

49 Earnings in foreign currency of Parent (accrual basis)

₹ in lakhs

	Year ended 31 March 2026	Year Ended 31 March 2025
Exports at F.O.B. value	29,574.47	29,167.42
Product service income	912.04	1,079.94
	30,486.51	**30,247.36**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

50 Ratio Analysis and its elements

Ratio	Basis		Year ended 31 March 2026	Year ended 31 March 2025	% change
Current ratio	Current Assets / Current Liabilities	Times	1.45	1.39	4%
Debt- Equity Ratio	Total Debt / Total Equity	%	42%	44%	-7%
Debt Service Coverage Ratio	Earnings for debt service (Note a) / Debt Service	Times	1.13	1.65	-32%
Return on Equity Ratio	Profit After Tax / Average Equity	%	2.13%	5.38%	-60%
Inventory Turnover Ratio	Cost of Goods Sold / Avg. Inventory	Times	1.83	2.00	-8%
Trade Receivable Turnover Ratio	Revenue from Sale of Products / Average Trade Receivables	Times	3.33	3.50	-5%
Trade Payable Turnover Ratio	Net Credit Purchase / Average Trade Payables (Note b)	Times	4.00	4.42	-10%
Net Capital Turnover Ratio	Revenue from Operations / Working Capital (Note c)	Times	4.38	5.84	-25%
Net Profit Ratio	Net Profit After Tax / Revenue from operations	%	1.56%	3.21%	-51%
Return on Capital Employed	Earnings before Interest and Tax (Note d) / Capital Employed (Note e)	%	5.47%	8.29%	-34%
Operating Profit Margin	Earnings before Interest and Tax (Note d) / Revenue from operations	%	5.72%	7.76%	-26%
Basic EPS	Net Profit attributable to equity share holders / Weighted average number of equity shares	Times	1.19	2.50	-52%
Interest coverage ratio	Earnings before Interest and Tax (Note d) / Finance costs	Times	1.62	2.58	-37%
Return on Investment			NA (Note f)	NA (Note f)	

Note:

a) Earnings for Debt Service = Net Profit after tax + Depreciation and amortisation expense + Finance costs (recognised excluding lease), Debt Service = Principal Repayments +Finance costs (recognised excluding lease)

b) Average Trade Payables = Average Trade payables for the materials purchase

c) Working Capital = Current Assets - Current Liabilities

d) Earnings before Interest and Tax = Profit before tax + Finance costs (recognised excluding lease)

e) Capital Employed = Average of equity and total borrowings

f) The Company has investments in subsidiaries and other insignificant trade investment.

Reasons for ratio variances exceeding 25%

(i) **Debt Service Coverage Ratio:** Decreased by 32% in the current year due to decrease in profitability and increased finance costs and borrowings of the Group

(ii) **Return on Equity Ratio:** Decreased by 60% in the current year due to decrease in profitability of the Group

(iii) **Net Profit Ratio:** Decreased by 51% in the current year due to decrease in profitability and increased finance costs of the Group

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

(iv) **Return on Capital Employed:** Decreased by 34% in the current year due to decrease in profitability of the Group

(v) **Operating Profit Margin:** Decreased by 26% in the current year due to decrease in profitability of the Group

(vi) **Basic EPS:** Decreased by 52% in the current year due to decrease in profitability of the Group

(vii) **Interest coverage ratio:** Decreased by 37% in the current year is mainly due to decrease in profitability and increased finance costs on account of working capital utilisation

51 The Parent has used an accounting software for maintaining its books of accounts for the year ended 31 March 2026 which has a feature of recording audit trail (edit log) facility and the audit trail feature at the application level has operated throughout the year for all relevant transactions recorded in the software. However, with respect to audit trail at database level, audit trail login was available but DML (Data Manipulation Language) operations relating to change data was not enabled. Subsequent to the year ended 31 March 2026, the Parent has enabled DML operations relating to change data at database level.

Additionally, the audit trail that was enabled and operated at application level for the year ended 31 March 2026 has been preserved by the Parent as per the statutory requirements for record retention..

52 Contribution towards Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows:

₹ in lakhs

Particulars		Year ended 31 March 2026	Year ended 31 March 2025
Average net profit of the Company for last three financial years		2,550.15	2627.84
Prescribed CSR expenditure (2% of the average net profit as computed above)		51.00	52.56
Details of CSR expenditure during the financial year:			
(a) Total amount required to be spent for the financial year		51.00	52.56
(b) Amount approved by the Board to be set-off for the financial year		-	4.06
(c) Amount approved by the Board to be spent for the financial year		53.74	48.53
(c) Amount spent for the financial year ending on 31 March 2026:	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	53.49	-	53.49
(d) Amount spent for the financial year ending on 31 March 2025:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	48.53	-	48.53

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2026

₹ in lakhs

	Year ended 31 March 2026	Year Ended 31 March 2025
(e) Details related to spent/ unspent obligations :		
(i) Rural support programme and other activities mentioned in Schedule VII of the Companies Act, 2013	53.49	48.53
(ii) Unspent amount in relation to :		
- Ongoing project	-	-
- Other than ongoing project	-	-
	53.49	**48.53**

In case of Section 135(5) (Other than ongoing Project)

Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent for the year	Amount spent for the year	Closing Balance
-	-	51.00	53.49	**2.49**

In case of Section 135(5) Excess amount spent

Opening Balance	Amount required to be spent for the year	Amount spent for the year	Closing Balance
-	51.00	53.49	**2.49**

53 Figures of the previous year has been re-grouped/re-arranged wherever necessary. The impact of the same is not material to the users of standalone financial statements.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Viral R. Shah
Partner
Membership No.: 117654

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Mumbai
Date: 19 May 2026

Place: Nagpur
Date: 19 May 2026

INDEPENDENT AUDITOR'S REPORT

To The Members of Zim Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Zim Laboratories Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2026, and the Statement of Profit and Loss (including Other Comprehensive loss), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Capitalization and realisability of 'Product Marketing Authorization' Rights (Refer Note 2.1(d) to the accompanying standalone financial statements for material accounting policy information and Note 5(A) and 5(B) for related disclosures). The Company has applied for registration of its various formulated products in different countries. The applications have been made to secure marketing rights/ product authorisations in respective geographies, some of which are subject to regulatory approvals. The expenses towards registrations are capitalized as 'Product Marketing authorizations'. The Product Marketing Authorizations are marketing rights and primarily include costs pertaining to bioequivalence studies, analytical method validation studies and product registration costs in respective geographies. Based on management's expectation of its commercial utilization of these products, these costs are amortized over a period of three years from date of capitalization. For marketing rights under process of approval, the primary risk relates to timely securing of requisite regulatory approvals. For capitalized marketing rights, the key risk is the ability to successfully commercialize the individual product concerned in the respective geography over the expected timelines The assumptions/judgement applied by management in determining the recoverable value of such rights include expected contributions from projected business generated in respective countries. Changes in these assumptions could lead to an impairment to the carrying value of such intangible assets and Intangible assets under development. Considering the materiality of the amounts involved, inherent subjectivity and significant management judgement involved to estimate the recoverable value of the marketing rights, capitalization and realisability of 'Product Marketing Authorization' Rights has been identified as a key audit matter for the current year audit.	Principal audit procedures performed included the following: • Obtained an understanding of the management process and controls for calculating the amount to be capitalized and its realisability, and assessed the consistency of the accounting policies with relevant accounting standards; • Evaluated the design and tested the operating effectiveness of internal controls around capitalisation and realisability of 'Product Marketing Authorization' Rights; • Tested the mathematical accuracy of the amounts capitalized as marketing rights and also evaluated key assumptions regarding market potential used by the Company on sample basis; • Verified sample of costs incurred to supporting documentation such as study reports, invoices and payment records to ensure the correctness of the amounts being incurred; • Obtained an understanding from management as to the status of each marketing right under process and corroborating, on sample basis, such status assessments from the communications of the Company's management (as distinct from the financial management function) with respective authorities; • In respect of marketing rights for products that have received regulatory approvals, we assessed the useful life and amortization period for the capitalized costs and challenged their total estimated profitability based on results achieved till date; • In respect of marketing rights for products that are no longer considered viable, we determined whether the carrying amount had been appropriately written off; and • Evaluated the appropriateness and adequacy of the related disclosures made in the standalone financial statements in accordance with applicable accounting standards.

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 Director's report, Management Discussion and Analysis and Corporate Governance report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The standalone financial statements of the Company for the year ended 31 March 2025, were audited by another auditor who expressed an unmodified opinion on those statements on 20 May 2025.

Our opinion on the standalone financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 by the Company so far as it appears from our examination of those books, except for matters stated in (i)(vi) below.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 standalone 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 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

    f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

    g) With respect to the adequacy of the internal financial controls with reference to standalone Financial statements of the company and the operating effectiveness of such controls,refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

    h) 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.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 44 to the standalone financial statements.

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

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

        iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 15(ii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 15(iii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

        v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

        vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended 31 March 2026 which has a feature of recording audit trail (edit log) facility and the audit trail feature at the application level has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of audit trail feature which was not enabled at database level to log any direct data changes. Hence, we are unable to comment on whether the audit trail feature at the database level of the said software was enabled and operated throughout the year and preserved for all relevant transactions recorded in the software. However, subsequent to the year ended 31 March 2026, audit trail has been enabled at the database level to log any direct data changes.

Additionally, the audit trail that was enabled and operated at application level for the year ended 31 March 2026 has been preserved by the Company as per the statutory requirements for record retention. Also refer Note 51 to standalone financial statements

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

Viral R. Shah
Partner
(Membership No. 117654)
(UDIN: 26117654HWTMZH6647)

Place: Mumbai
Date: 19 May 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

To The Members of Zim Laboratories Limited for the year ended 31 March 2026

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of Zim Laboratories Limited (the "Company") as at 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2026 based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

Viral R. Shah
Partner
(Membership No. 117654)
(UDIN: 26117654HWTMZH6647)

Place: Mumbai
Date: 19 May 2026

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

To The Members of Zim Laboratories Limited for the year ended 31 March 2026

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of the Company's property, plant and equipment, and intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, 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) No proceedings have been initiated during the year or are pending against the Company as at 31 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, except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year end. 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, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

iii. a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

b) The investments made, during the year are, in our opinion, not prejudicial to the Company's interest.

c) The Company does not have any outstanding loans and advances in the nature of loans as at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of investments made. The Company has not granted loans, provided guarantees or securities to parties that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

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

vii. (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2026 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (in lakhs)	Amount paid under protest in lakhs)	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax liability	395.95	84.00	Assessment Year 2010-2011	Commissioner of Income Tax (Appeal) and Income Tax Appellate Tribunal
The Central Goods and Service Tax Act, 2017	Goods and Service Tax Liability	43.74	-	Financial Year 2023-2024	GST Adjudicating Authority
The Central Goods and Service Tax Act, 2017	Goods and Service Tax Liability	219.65	16.85	Financial Year 2021-2022	GST Appellate Authority

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

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

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, applied by the Company during the year for the purposes for which the funds were raised other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

xi. a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

xii. The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

b) We have considered the internal audit reports issued to the Company during the year and covering the period upto October 2025 and the final of the internal audit reports where issued after the balance sheet date covering the period upto March 2026 for the period under audit.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

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

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts 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. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

Viral R. Shah
Partner
(Membership No. 117654)
(UDIN: 26117654HWTMZH6647)

Place: Mumbai
Date: 19 May 2026

Standalone Balance Sheet

As at 31 March 2026

(₹ in Lakhs)

	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,637.38	15,828.14
Capital work-in-progress	4	5,876.02	4,405.44
Intangible assets	5(A)	375.31	531.39
Intangible assets under development	5(B)	3,064.36	2,161.15
Financial Assets			
Investment in subsidiaries	6	1,760.56	1,298.90
Other investments	6(A)	5.00	5.00
Other financial assets	7	250.69	235.64
Income tax assets (net)	8	84.00	86.25
Other non-current assets	9	223.52	251.90
		27,276.84	24,803.81
Current assets			
Inventories	10	9,377.48	8,647.00
Financial Assets			
Trade receivables	11	9,228.36	9,368.06
Cash and cash equivalents	12	1,879.57	36.36
Bank balances other than cash and cash equivalents	13	1,820.08	45.59
Other financial assets	14	48.72	24.09
Other current assets	15	2,888.92	3,513.61
		25,243.13	21,634.71
TOTAL ASSETS		52,519.97	46,438.52
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	5,350.03	4,872.58
Other equity	17	23,285.18	19,578.80
		28,635.21	24,451.38
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	18	4,158.83	4,030.10
Lease liabilities	19	83.20	206.97
Deferred tax liabilities (net)	20	1,042.03	1,130.10
		5,284.06	5,367.17
Current liabilities			
Financial Liabilities			
Borrowings	21	8,139.56	7,186.45
Lease liabilities	22	274.30	356.43
Trade payables	23		
- total outstanding due of micro enterprises and small enterprises		847.20	668.46
- total outstanding due of creditors other than micro enterprises and small enterprises		6,811.22	6,518.14
Other financial liabilities	24	943.64	1,011.97
Other current liabilities	25	1,241.21	518.58
Provisions	26	85.94	67.90
Current tax liabilities (net)	8(A)	257.63	292.04
		18,600.70	16,619.97
TOTAL LIABILITIES		23,884.76	21,987.14
TOTAL EQUITY AND LIABILITIES		52,519.97	46,438.52
Material accounting policy information and other explanatory information	1 - 53		-

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Viral R. Shah
Partner
Membership No.: 117654

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Mumbai
Date: 19 May 2026

Place: Nagpur
Date: 19 May 2026

Standalone Statement of Profit and Loss

For the year ended 31 March 2026

(₹ in Lakhs)

		Note	Year ended 31 March 2026	Year ended 31 March 2025
I.	**Income**			
	Revenue from operations	27	37,048.15	37,563.55
	Other income	28	1,138.99	562.09
	Total Income		38,187.14	38,125.64
II.	**Expenses**			
	Cost of materials consumed	29	16,319.05	15,500.40
	Purchase of stock in trade	30	746.83	1,157.82
	Changes in inventories of finished goods and work-in-progress	31	(614.14)	126.65
	Employee benefits expenses	32	6,009.85	5,640.62
	Finance costs	33	1,320.23	1,138.58
	Depreciation and amortisation expenses	34	1,936.74	1,989.14
	Other expenses	35	11,628.56	10,811.22
	Total Expenses		37,347.12	36,364.43
III.	**Profit before tax**		840.02	1,761.21
IV.	**Tax (expense):**	36		
	(i) Current Tax		(327.54)	(444.69)
	(ii) Deferred Tax		84.04	(142.12)
			(243.50)	(586.81)
V.	**Net Profit after tax**		596.52	1,174.40
VI.	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Measurements of defined employee benefit plans		(13.85)	(75.95)
	- Income tax relating to items that will not be reclassified to profit or loss		4.03	22.11
			(9.82)	(53.84)
VII.	**Total Comprehensive Income**		586.70	1,120.56
VIII.	Earnings per equity share: Nominal value of ₹ 10 each	48		
	Basic (In ₹)		1.22	2.41
	Diluted (In ₹)		1.22	2.41
	Material accounting policy information and other explanatory information	1 - 53		

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Viral R. Shah
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Membership No.: 117654

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Mumbai
Date: 19 May 2026

Place: Nagpur
Date: 19 May 2026

Standalone Statement of Cash Flow

for the year ended 31 March 2026

Rs. in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Cash flow from operating activities		
Profit before tax	**840.02**	**1,761.21**
Depreciation and amortisation expenses	1,936.74	1,989.14
Interest on lease deposits	(7.49)	(7.14)
Gain on sale of property, plant and equipment (net)	(251.68)	1.59
Unrealized foreign exchange gain	(284.09)	(30.03)
Dividend income on investments	(0.75)	(0.75)
Interest income	(30.92)	(4.55)
Equity settled share based payments to employees	33.03	39.40
Bad debts written off	78.11	212.71
Reversal of loss allowance - trade receivables	(23.20)	(71.97)
Finance costs	1,320.23	1,138.58
Operating profit before working capital changes	**3,610.00**	**5,028.19**
Movement in working capital :		
Increase /(decrease) in trade and other payables and provisions	1,189.74	(28.94)
Increase in inventories	(730.48)	(520.71)
Decrease in trade and other receivables	1,056.28	453.13
Net Cash generated from operations	**5,125.54**	**4,931.67**
Direct taxes paid (net of refunds)	(359.70)	128.53
Net cash generated from operating activities (A)	**4,765.84**	**5,060.20**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets (Refer note i)	(4,162.87)	(3,791.66)
Sale proceeds of property, plant and equipment and intangible assets	561.65	51.81
Investment in subsidiaries	(381.20)	(385.09)
(Deposits) of bank deposits placed with bank (having original maturity of more than three months)	(2,078.19)	(26.50)
Maturity of bank deposits placed with bank (having original maturity of more than three months)	302.87	15.64
Interest received	15.81	4.03
Dividend received	0.75	0.75
Net cash (used in) investing activities (B)	**(5,741.18)**	**(4,131.02)**
Cash flow from financing activities		
Proceeds from issue of equity share	3,507.76	-
Transaction cost of preferential issue	(24.12)	-
Proceeds from long term borrowings	2,233.44	2,462.40
Repayment of long term borrowings	(2,149.22)	(1,532.02)
Proceeds/(Repayment) of short term borrowings (net)	683.87	(252.65)
Proceeds under supplier finance arrangements (net)	250.21	-
Repayment of principal portion of lease obligations	(393.88)	(358.16)
Finance costs paid	(1,289.50)	(1,229.78)
Changes in unclaimed dividend bank balances	5.55	5.69
Changes in unclaimed dividend liabilities	(5.55)	(5.69)
Net cash generated from (used in) financing activities (C)	**2,818.56**	**(910.21)**

Standalone Statement of Cash Flow

for the year ended 31 March 2026

Rs. in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Effects of exchange rate changes on cash and cash equivalents (D)	**(0.01)**	**0.04**
Net increase in cash and cash equivalents (A+B+C+D)	**1,843.21**	**19.01**
Opening cash and cash equivalents	36.36	17.35
Closing cash and cash equivalents	**1,879.57**	**36.36**
Components of cash and cash equivalents		
Cash on hand	3.34	4.42
Balances with banks in:		
- Current accounts	372.40	31.94
- Bank depostis (having original maturity of less than three months)	1,503.83	-
Total cash and cash equivalents (Refer note 12)	**1,879.57**	**36.36**

Note:

i) Includes capital work-in-progress, intangible assets under development, capital advance, payable for capital expenditure.

ii) The Standalone Statement of Cash Flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

Material accounting policy information and other explanatory information 1 - 53

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 19 May 2026

Standalone Statement of Changes in Equity

for the year ended 31 March 2026

Equity share capital (Refer note 16)

	Number of shares	Rs. in lakhs
Balance as at 01 April 2024	**4,87,25,814**	**4,872.58**
Changes during the year due to prior period errors	-	-
Restated balance as at 01 April 2024	4,87,25,814	4,872.58
Changes during the year	-	-
Balance as at 31 March 2025	**4,87,25,814**	**4,872.58**
Changes during the year due to prior period errors	-	-
Restated balance as at 01 April 2025	4,87,25,814	4,872.58
Changes during the year	47,74,497	477.45
Balance as at 31 March 2026	**5,35,00,311**	**5,350.03**

Other equity (Refer note 17)

(₹ in lakhs)

	Reserves & Surplus					Total other equity
	Securities premium	General reserve	Retained earnings	Deemed equity contribution from shareholder	Share options outstanding reserve	
Balance as at 01 April 2024	**802.98**	**106.20**	**15,273.42**	**2,140.24**	**-**	**18,322.84**
Transactions during the year						
Total comprehensive income						
Net Profit after tax	-	-	1,174.40	-	-	1,174.40
Other comprehensive income	-	-	(53.84)	-	-	(53.84)
Equity settled share based payments to employees (Refer note 47)	-	-	-	-	39.40	39.40
Equity settled share based payments to employees of subsidiary (Refer note 6 and 47)	-	-	-	-	96.00	96.00
Balance as at 31 March 2025	**802.98**	**106.20**	**16,393.98**	**2,140.24**	**135.40**	**19,578.80**
Transactions during the year						
Total comprehensive income						
Net Profit after tax	-	-	596.52	-	-	596.52
Other comprehensive income	-	-	(9.82)	-	-	(9.82)
Preferential issue of equity shares (Refer note 16)	3,023.55	-	-	-	-	3,023.55
Transaction cost of preferential issue of equity shares	(24.12)	-	-	-	-	(24.12)
Exercise of employee stock options (Refer note 47)	12.21	-	-	-	(5.45)	6.76
Equity settled share based payments to employees (Refer note 47)	-	-	-	-	33.03	33.03
Equity settled share based payments to employees of subsidiary (Refer note 6 and 47)	-	-	-	-	80.46	80.46
Balance as at 31 March 2026	**3,814.62**	**106.20**	**16,980.68**	**2,140.24**	**243.44**	**23,285.18**

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 19 May 2026

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

1. Background of the Company

ZIM Laboratories Limited ('the Company') is a public limited company domiciled in India with its registered office at Sadoday Gyan (Ground Floor), Opposite N.A.D.T., Nelson square, Nagpur-440013. The Company has primarily listed on BSE/NSE. The Company is engaged in the manufacturing of formulation drugs and pre formulation ingredients in India and marketing and selling these within and outside India.

The standalone financial statements ("the financial statements") of the Company for the year ended 31 March 2026 were authorised for issue in accordance with resolution of the Board of Directors on 19 May 2026.

2. Basis for preparation of financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value;

2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;

3) defined benefit plans - plan assets measured at fair value;

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.1 Material accounting policy information

a Use of estimates

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

b Property, plant and equipment (including Capital Work-in-Progress)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1 April 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost and not revalued its property, plant and equipment at the end of each year.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

c Depreciation methods and estimated useful lives

"The Company provides for depreciation on additions and disposals made during the year on pro-rata basis from the date of additions upto the date of disposal. Depreciation on property, plant and equipment is provided under the straight line method over the useful lives of assets, as prescribed under Part C of Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets Class	Useful Life
Building	5 years & 30 years
Plant and Equipment	10 years & 15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment's	3-6 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Leasehold Improvements are amortized over the lower of the lease term or useful life of the respective asset prescribed as above.

Leasehold land is amortised over the primary period of lease.

d Intangible assets (including Intangible assets under development)

Intangible assets are stated at acquisition/ development cost, net of tax credit on initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditure incurred for obtaining regulatory approvals and registration of the products for overseas markets are considered/capitalised as product marketing authorisations.

Intangible assets are amortised on a straight line basis over the estimated useful economic life, which is estimated to be five years for software and for product marketing authorisations, lower of validity of product marketing authorisation certificate or three years.

e Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

During the period of development, the asset is tested for impairment annually. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the Statement of Profit and Loss.

f Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company 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 and any lease payments made in advance of the lease commencement date.

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), 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 expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. 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 or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on straight line basis over the lease term .

g Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

h Borrowing costs

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

i Impairment of non-financial assets

Assessment is carried out at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication of impairment exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed if there was no impairment.

j Investments in subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27 except when they are classified as held for sale, they shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

k Investments and financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss, when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of profit and loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

Measurement of equity instruments

The Company measures its equity investment (other than in subsidiaries) at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, Financial Instruments. The Company has used a practical expedient for computing the expected credit loss allowance for trade receivables based on the ageing based matrix.

De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or they have expired or
- The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

l Derivatives and embedded derivatives

The Company uses derivative financial instruments i.e. foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such contracts are accounted for at fair value through profit or loss. Derivatives are carried as financial assets/liabilities when the fair value is positive/negative, respectively.

Derivatives embedded in a host contracts that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated."

m Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

n **Inventories**

Inventories are stated at lower of cost and net realisable value. Cost of raw materials, stores, spares and packing materials is determined at weighted average cost or net realisable value, whichever is lower. The cost of finished goods and work in progress comprises raw materials cost, packing materials cost, direct labour, other direct costs and related production overheads, as applicable. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

o **Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss, unless they are considered as an adjustment to borrowing costs, in which case they are classified along with the borrowing cost. Non-monetary foreign currency items are carried at cost.

p **Revenue Recognition**

The Company derives revenues primarily from sale of manufactured goods and traded goods.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Other operating revenue -

Product service income

Product development income

Income from product development is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

The Company enters into certain product development and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognises or defers the upfront payments received under these arrangements.

Out-licensing income

Revenues include amounts derived from out-licensing income. These income typically depends on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive.

Export incentives

Export Incentives under various schemes are accounted in the year of export.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects entity's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The entity holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

q **Other Income**

Interest income for all debt instruments is recognised using the effective interest rate method. Dividend Income is recognised when right to receive the payment is established by the balance sheet date.

r **Employee Benefits**

Defined Contribution Plan

The Company has Defined Contribution Plan for post employment benefit namely Provident Fund and National Pension Fund which are recognised by the income tax authorities and administered through appropriate authorities. The Company contributes to a Government administered Provident Fund and National Pension Fund and has no further obligation beyond making its contribution. Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations.

The Company's contributions to the above funds are charged to Statement of Profit and Loss every year as and when due.

Defined Benefit Plan - Gratuity

The Company has Defined Benefit Plan comprising of Gratuity. The Gratuity scheme is funded through Group Gratuity Cum Life Assurance Scheme from LIC. The adequacy of accumulated fund balance available with LIC has been established by comparing such balance based on actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. All other absences are treated as long term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits 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 at the amounts expected to be paid when the liabilities are settled.

s Current and Deferred Tax

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Income tax (current-tax) assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets (Including Minimum Alternate Tax(MAT)) are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

t Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

u Earnings per share

Basic earnings per share are 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, share split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- Useful life and residual value of property, plant and equipment (PPE) and intangible assets (Refer note 3, 4, 5(A) & 5(B) The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

- Recognition and measurement of defined benefit obligations (Refer note 45)

  The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

- Tax expenses (Refer note 36)

  The Company reviews the carrying amount of tax expenses, deferred tax (including MAT credit) and tax payable at the end of each reporting period.

- Loss Allowance (Refer note 11)

  Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance . Individual trade receivables are written off if the same are not collectible.

- Leases – Estimating the incremental borrowing rate (Refer Note 2(f))

  The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

- Inventory (Refer note 10) -

  The Company reviews the allowance for defective and obsolete items inventory at the end of each reporting period.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

3 Property, plant and equipment

(₹ in lakhs)

	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipments	Vehicles	Right of use Assets (Refer note 41) Leasehold Land	Right of use Assets (Refer note 41) Other Right of use Assets	Total
Gross carrying amount										
Balance as at 1 April 2024	**961.57**	**7,900.29**	**10,470.39**	**327.28**	**1,701.57**	**626.61**	**252.10**	**645.51**	**1,533.49**	**24,418.81**
Additions	-	337.62	560.95	-	77.20	91.44	35.30	466.45	445.16	2,014.12
Deletions	-	39.18	272.70	12.02	155.94	58.88	15.92	-	902.44	1,457.08
Balance as at 31 March 2025	**961.57**	**8,198.73**	**10,758.64**	**315.26**	**1,622.83**	**659.17**	**271.48**	**1,111.96**	**1,076.21**	**24,975.85**
Additions	-	313.24	657.61	65.65	72.06	90.82	29.80	428.16	218.18	1,875.52
Deletions	-	60.09	186.25	-	14.50	3.55	18.77	300.83	-	583.99
Balance as at 31 March 2026	**961.57**	**8,451.88**	**11,230.00**	**380.91**	**1,680.39**	**746.44**	**282.51**	**1,239.29**	**1,294.39**	**26,267.38**
Accumulated Depreciation										
Balance as at 1 April 2024	-	**1,314.47**	**5,032.65**	**165.26**	**732.97**	**403.98**	**131.22**	**31.80**	**914.57**	**8,726.92**
Charge for the year	-	301.41	783.67	21.09	157.05	90.70	16.53	12.88	441.13	1,824.46
Deletions	-	29.12	243.59	2.86	152.58	58.63	14.45	-	902.44	1,403.67
Balance as at 31 March 2025	-	**1,586.76**	**5,572.73**	**183.49**	**737.44**	**436.05**	**133.30**	**44.68**	**453.26**	**9,147.71**
Charge for the year	-	294.82	684.15	18.76	126.97	98.63	19.44	14.27	460.76	1,717.80
Deletions	-	25.83	132.28	-	8.99	3.19	17.44	47.78	-	235.51
Balance as at 31 March 2026	-	**1,855.75**	**6,124.60**	**202.25**	**855.42**	**531.49**	**135.30**	**11.17**	**914.02**	**10,630.00**
Net carrying amount										
Balance as at 31 March 2025	**961.57**	**6,611.97**	**5,185.91**	**131.77**	**885.39**	**223.12**	**138.18**	**1,067.28**	**622.95**	**15,828.14**
Balance as at 31 March 2026	**961.57**	**6,596.13**	**5,105.40**	**178.66**	**824.97**	**214.95**	**147.21**	**1,228.12**	**380.37**	**15,637.38**

i **Leases in which the Company is Lessee**

The Company has leasing arrangements for its land, office buildings and plant & equipments. The Company pays lease charges as fixed amount as per respective lease agreements. Right-of-use asset is measured, on a lease by lease basis, at carrying amount. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the time of lease initiation. The lease agreements for immovable properties where the Company is the lessee are duly executed in favour of the Company. The average lease period for office buildings and plant & equipments is 2-3 years and for land 59-99 years.

ii Refer note 44 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

iii Refer note 18 and 21 for information on property, plant and equipment pledged as security by the Company.

iv There are no impairment losses recognised during the current year and previous year.

v There were no material discrepancies identified during physical verification of property, plant & equipments.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

4 Capital work-in-progress (CWIP)

(₹ in lakhs)

Balance as at 1 April 2024	**2,351.60**
Additions	4,067.96
Capitalisation	(2,014.12)
Balance as at 31 March 2025	**4,405.44**
Additions	3,346.10
Capitalisation	(1,875.52)
Balance as at 31 March 2026	**5,876.02**

(₹ in lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at 31 March 2026					
Projects in progress	2,054.60	2,169.84	1,651.58	-	5,876.02
Projects temporarily suspended	-	-	-	-	-
	2,054.60	**2,169.84**	**1,651.58**	**-**	**5,876.02**
Balance as at 31 March 2025					
Projects in progress	2,712.31	1,693.13	-	-	4,405.44
Projects temporarily suspended	-	-	-	-	-
	2,712.31	**1,693.13**	**-**	**-**	**4,405.44**

Note:

Capital work-in-progress (CWIP) includes cost incurred towards construction of property, plant and equipment of the Company. There are no projects as on each reporting year where activity had been suspended. Also there are no projects as on reporting year which has exceeded cost as compared to approved plan or where completion is overdue.

5(A) Intangible assets

(₹ in lakhs)

	Softwares	Product Marketing Authorisation	Total
Gross carrying amount			
Balance as at 1 April 2024	**428.16**	**1,153.57**	**1,581.73**
Additions -Internally developed	-	261.16	261.16
-Acquired	77.48	-	77.48
Deletions	-	121.24	121.24
Balance as at 31 March 2025	**505.64**	**1,293.49**	**1,799.13**
Additions -Internally developed	-	5.65	5.65
-Acquired	57.21	-	57.21
Deletions	-	-	-
Balance as at 31 March 2026	**562.85**	**1,299.14**	**1,861.99**
Accumulated Amortisation			
Balance as at 1 April 2024	**238.81**	**985.49**	**1,224.30**
Charge for the year	59.04	105.64	164.68
Deletions	-	121.24	121.24
Balance as at 31 March 2025	**297.85**	**969.89**	**1,267.74**
Charge for the year	68.96	149.98	218.94
Deletions	-	-	-
Balance as at 31 March 2026	**366.81**	**1,119.87**	**1,486.68**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

(₹ in lakhs)

	Softwares	Product Marketing Authorisation	Total
Net carrying amount			
Balance as at 31 March 2025	**207.79**	**323.60**	**531.39**
Balance as at 31 March 2026	**196.04**	**179.27**	**375.31**

5(B) Intangible assets under development (IAUD)

(₹ in lakhs)

Balance as at 1 April 2024	**1,673.11**
Additions -Internally developed	815.55
-Acquired	11.13
Capitalisation -Internally developed	(261.16)
-Acquired	(77.48)
Balance as at 31 March 2025	**2,161.15**
Additions -Internally developed	891.85
-Acquired	74.22
Capitalisation -Internally developed	(5.65)
-Acquired	(57.21)
Balance as at 31 March 2026	**3,064.36**

Note:
Represents expenditure incurred towards obtaining regulatory approvals and registration of the products for overseas markets.

Intangible assets under development (IAUD) Ageing Schedule

(₹ in lakhs)

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at 31 March 2026					
Projects in progress	956.68	738.87	718.63	650.18	3,064.36
Projects temporarily suspended	-	-	-	-	-
	956.68	**738.87**	**718.63**	**650.18**	**3,064.36**
Balance as at 31 March 2025					
Projects in progress	738.41	772.56	650.18	-	2,161.15
Projects temporarily suspended	-	-	-	-	-
	738.41	**772.56**	**650.18**	**-**	**2,161.15**

Note:

Represents expenditure incurred towards obtaining regulatory approvals and registration of the products for overseas markets. There are no IAUD as on each reporting year where activity had been suspended. Also there are no IAUD as on reporting year where completion is overdue.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

6 Investment in subsidiaries

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Investment in equity instruments		
Unquoted equity investment carried at cost		
3,766 (31 March 2025: 3,766) equity shares of AED 1,000 each fully paid-up in ZIM Laboratories FZE,UAE	731.57	731.57
400,000 (31 March 2025: 400,000) equity shares of ₹10 each fully paid-up in ZIM Health Technologies Limited, India (includes Deemed Investment*)	216.46	136.00
1,375 (31 March 2025: 775) equity shares of EURO 500 each fully paid-up in SIA ZIM Laboratories Limited, Latvia	639.46	347.71
100,000 (31 March 2025: 100,000) equity shares of ₹10 each fully paid-up in ZIM Thinorals Private Limited, India	10.00	10.00
268,425 (31 March 2025:133,425) equity shares of AUD 1 each fully paid-up in ZIMTAS PTY Limited, Australia	163.07	73.62
	1,760.56	**1,298.90**

*Represents the increase in deemed investment value of ₹ 176.46 lakhs as at 31 March 2026 (31 March 2025: ₹ 96.00 lakhs) on account of stock options of the Company granted to employee of the subsidiary company. The cost has been considered as Deemed Investment in subsidiary in accordance with Ind AS 102, Shared-based Payment.

6(A) Other investments (non-current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Investment in body corporate:		
Unquoted equity investment carried at amortised cost 20,000 (31 March 2025: 20,000) equity shares of ₹ 25 each fully paid-up in Shamrao Vithal co-operative Bank Limited	5.00	5.00
	5.00	**5.00**
Aggregate amount of investments		
Aggregate carrying value of unquoted investments	1,765.56	1,303.90
Aggregate carrying value of quoted investments	-	-
Aggregate amount of market value of quoted investments	-	-
Aggregate amount of impairment in value of investments	**1,765.56**	**1,303.90**

7 Other financial assets (non-current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Earnest money and security deposit	229.58	209.81
Margin money deposits	21.11	25.83
Represents fixed deposits with banks ₹ 21.11 lakhs (₹ 25.83 lakhs as at 31 March 2025) marked as lien for guarantees issued by banks on behalf of the Company.		
	250.69	**235.64**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

8 Income tax assets (net)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Advance income-tax (net of provision for tax)*	84.00	86.25
	84.00	**86.25**

*Includes amount paid under protest ₹ 84.00 lakhs (31 March 2025 : ₹ 84.00 lakhs)

8(A) Current tax liabilities (net)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Provision for tax (net of advance income-tax ₹ 82.63 lakhs (31 March 2025 : ₹ 119.20 lakhs))	257.63	292.04
	257.63	**292.04**

9 Other non-current assets

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Capital advances	194.23	201.33
Prepaid expenses	29.29	50.57
	223.52	**251.90**

10 Inventories

(measured at lower of cost or net realisable value)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Raw materials and packing materials		
Goods-in-transit	284.38	-
Others	5,564.53	5,668.06
Work-in-progress	537.99	745.21
Finished goods		
Goods-in-transit	60.72	142.36
Others	2,782.96	1,879.96
Stores and spares	146.90	211.41
	9,377.48	**8,647.00**

11 Trade receivables (Unsecured, Refer note (a) below)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Trade receivables - considered good (Refer note 43)	9,228.36	9,368.06
Trade receivables - credit impaired	35.44	46.48
Trade receivables which have significant increase in credit risk	21.34	33.50
	9,285.14	9,448.04
Less: Loss allowance	(56.78)	(79.98)
	9,228.36	**9,368.06**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

(a) Ageing of Trade receivables

(₹ in lakhs)

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026							
Undisputed Trade Receivables – considered good	6,678.44	1,901.62	594.20	50.49	3.61	-	9,228.36
Undisputed Trade Receivables – which have significant increase in credit risk	0.71	0.66	3.33	0.50	1.50	14.64	21.34
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	28.50	-	6.94	35.44
	6,679.15	**1,902.28**	**597.53**	**79.49**	**5.11**	**21.58**	**9,285.14**
Less: Loss allowance	(0.71)	(0.66)	(3.33)	(29.00)	(1.50)	(21.58)	(56.78)
	6,678.44	**1,901.62**	**594.20**	**50.49**	**3.61**	**-**	**9,228.36**
As at 31 March 2025							
Undisputed Trade Receivables – considered good	7,863.49	1,350.45	117.17	31.88	5.07	-	9,368.06
Undisputed Trade Receivables – which have significant increase in credit risk	1.16	0.94	1.45	0.70	-	29.25	33.50
Undisputed Trade receivable – credit impaired	-	-	-	-	46.48	-	46.48
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
	7,864.65	**1,351.39**	**118.62**	**32.58**	**51.55**	**29.25**	**9,448.04**
Less: Loss allowance	(1.16)	(0.94)	(1.45)	(0.70)	(46.48)	(29.25)	(79.98)
	7,863.49	**1,350.45**	**117.17**	**31.88**	**5.07**	**-**	**9,368.06**

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member other than those disclose in the note 43.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Refer note 38 for information about credit risk and market risk of trade receivables.

12 Cash and cash equivalents

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Cash on hand	3.34	4.42
Balances with banks in current accounts	372.40	31.94
Bank depostis (having original maturity of less than three months)	1,503.83	-
	1,879.57	**36.36**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

13 Bank balances other than cash and cash equivalents

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Bank deposits (having original maturity of more than three months but less than twelve months)	1,503.99	-
Earmarked balances with bank		
Bank deposits (having original maturity of more than three months but less than twelve months)	268.00	-
Unclaimed dividend accounts	3.68	9.23
Margin money deposits	44.41	36.36
Represents fixed deposits with banks ₹ 44.41 lakhs (₹ 36.36 lakhs as at 31 March 2025) marked as lien against guarantees issued by banks on behalf of the Company.		
	1,820.08	**45.59**

14 Other financial assets (current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Earnest money and security deposits	41.59	16.50
Interest receivable:		
from Banks	0.12	0.58
from Others	7.01	7.01
	48.72	**24.09**

15 Other current assets

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Advance to suppliers	190.89	1,466.90
Advance against expenses to employees	11.63	12.18
Balances with government authorities	2,381.67	1,742.48
Prepaid expenses	274.74	236.68
Prepaid gratuity (Refer note 45)	29.99	55.37
	2,888.92	**3,513.61**

(i) There are no advances to directors or other officers of the Company either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or director or a member other than those disclose in the note 43.

(ii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. 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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

16 Equity share capital

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Authorised		
75,000,000 (31 March 2025: 75,000,000) equity shares of ₹ 10 each	7,500.00	7,500.00
Issued		
53,500,311 (31 March 2025: 48,725,814) equity shares of ₹10 each fully paid up	5,350.03	4,872.58
Subscribed and Paid-Up		
53,500,311 (31 March 2025: 48,725,814) equity shares of ₹ 10 each fully paid up	5,350.03	4,872.58
	5,350.03	**4,872.58**

(a) Reconciliation of share capital

	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance as at the beginning of the year	4,87,25,814	4,872.58	4,87,25,814	4,872.58
Add: Shares issued during the year on preferential issue*	47,64,497	476.45	-	-
Add: Shares issued during the year on exercise of employee stock options (Refer note 47)	10,000	1.00	-	-
Balance as at the end of the year	**5,35,00,311**	**5,350.03**	**4,87,25,814**	**4,872.58**

* During the year, the Company has issued 47,64,497 equity shares at an issue price of ₹ 73.46 per share on a preferential basis, in accordance with applicable provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

(b) Rights, preferences and restrictions

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Bonus shares issued

On 12 December 2022, the Company has issued 32,483,876 equity shares of face value ₹ 10 each as fully paid up bonus shares. The Company has issued two bonus equity shares against one equity share held by its shareholders.

(d) Equity shares reserved for issue under employee stock options

For number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options and rights by the employees under Employee Stock Option Scheme. (Refer note 47)

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares:				
Anwar S. Daud*	1,33,36,320	24.93%	1,33,36,320	27.37%
Elimath Advisors Private Limited	55,84,269	10.44%	-	-
Florintree Trinex LLP	47,64,497	8.91%	-	-
Elizabeth Mathew	-	-	58,55,824	12.02%
Zakir Vali	50,47,420	9.43%	50,47,420	10.36%

* Including 1,500,000 shares jointly held with Tasneem Daud (wife of Anwar Daud).

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

(f) Details of shares held by promoters

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
As at 31 March 2026					
Anwar S. Daud	1,33,36,320	-	1,33,36,320	24.93%	-2.44%
Zulfiquar Kamal	11,95,260	-	11,95,260	2.23%	-0.22%
Tasneem A. Daud	30,000	-	30,000	0.06%	-0.01%
Shabbar S. Daud	42,000	-	42,000	0.08%	-0.01%
Sabbah Z. Kamal	15,00,000	-	15,00,000	2.80%	-0.27%
Hasan Kamal	1,04,400	-	1,04,400	0.20%	-0.02%
Farhat S. Daud	-	26,690	26,690	0.05%	0.05%
Total	**1,62,07,980**	**26,690**	**1,62,34,670**	**30.35%**	**-2.92%**
As at 31 March 2025					
Anwar S. Daud	1,33,36,320	-	1,33,36,320	27.37%	-
Zulfiquar Kamal	11,95,260	-	11,95,260	2.45%	-
Tasneem A. Daud	30,000	-	30,000	0.06%	-
Shabbar S. Daud	42,000	-	42,000	0.09%	-
Sabbah Z. Kamal	15,00,000	-	15,00,000	3.08%	-
Hasan Kamal	1,04,400	-	1,04,400	0.21%	-
Total	**1,62,07,980**	**-**	**1,62,07,980**	**33.26%**	**-**

17 Other equity

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Securities premium	3,814.62	802.98
General reserve	106.20	106.20
Retained earnings	16,980.68	16,393.98
Deemed equity contribution from shareholder	2,140.24	2,140.24
Share options outstanding reserve	243.44	135.40
Total	**23,285.18**	**19,578.80**
Securities premium		
Balance as at the beginning of the year	802.98	802.98
Additions during the year on preferential issue of equity shares	3,023.55	-
Additions during the year on exercise of stock options (Refer note 47)	12.21	-
Utilisation during the year for transaction cost of preferential issue of equity shares	(24.12)	-
Balance at the end of the year	**3,814.62**	**802.98**

Nature and Purpose - Security premium is used to record the premium on issue of shares, the reserve is utilised in accordance with the provisions of the Companies Act, 2013

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
General reserve		
Balance as at the beginning of the year	106.20	106.20
Additions during the year	-	-
Utilisation during the year	-	-
Balance at the end of the year	**106.20**	**106.20**

Nature and Purpose - General reserve represents transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

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For the year ended 31 March 2026

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Retained earnings		
Balance as at the beginning of the year	16,393.98	15,273.42
Net profit for the year	596.52	1,174.40
Transfer from other comprehensive income	(9.82)	(53.84)
Net surplus in the Statement of Profit and Loss	**16,980.68**	**16,393.98**

Nature and Purpose - Retained earnings represents the amount of accumulated earnings of the Company.

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Deemed equity contribution from shareholder		
Balance as at the beginning of the year	2,140.24	2,140.24
Transaction during the year	-	-
Balance as at the end of the year	**2,140.24**	**2,140.24**

Nature and Purpose - The difference between the fair value of trade receivable proceeds from shareholder and the transaction price is recognised as a credit to the 'Deemed equity contribution from shareholder' under 'Other equity' in FY2023-24 in accordance with the guidance under Ind AS 1- Presentation of Financial Statements, which states that transactions with shareholders (being the owners of Company), shall be recognized under Equity.

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Share options outstanding reserve		
Balance at the beginning of the year	135.40	-
Add: Additions during the year	113.49	135.40
Less: Transfer to securities premium account on exercise of stock options	(5.45)	-
Balance at the end of the year	**243.44**	**135.40**

Nature and Purpose - Employee Stock Options represents the grant date fair value of options granted to employees under Employee Stock Option Scheme.

18 Borrowings (non-current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Secured		
Term Loans from banks	4,724.06	5,565.04
From Non-Banking Financial Company (NBFC)	1,345.11	393.67
	6,069.17	**5,958.71**
Less: Current maturities of long term borrowings (Refer note 21)	(1,910.34)	(1,928.61)
	4,158.83	**4,030.10**

Nature of security and terms of repayment for secured borrowings

(i) Loan from a bank and a NBFC are secured by way of first charge on all present and future property, plant and equipment including Land & Building, Plant & Machinery and second charge on all current assets on pari passu basis with lead banker & other members under consortium arrangement. The loans are also secured by personal guarantee of managing director.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

(ii)

	As at 31 March 2026		As at 31 March 2025		Repayment terms
	Principal o/s (₹ in lakhs)	Effective interest rate in %	Principal o/s (₹ in lakhs)	Effective interest rate in %	
Indian rupee loan from banks					
Bank of India (Repayment start from: February 2022 and last installment in January 2026)	-	-	140.18	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 13.52 lakhs
Bank of India (Repayment start from: May 2022 and last installment in April 2026)	19.20	1 Year RBLR +1 % (9.10%)	126.98	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 9.58 lakhs
Bank of India (Repayment start from: November 2023 and last installment in October 2027)	128.48	1 Year RBLR +1 % (9.10%)	194.77	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 6.79 lakhs
Bank of India (Repayment start from: January 2023 and last installment in June 2026)	97.33	1 Year RBLR +0.85 % (8.95%)	405.85	1 Year RBLR +0.93 % (9.95%)	Repayable in 42 equated monthly Installments of ₹ 27.78 lakhs
Bank of India (Repayment start from: August 2024 and last installment in July 2029)	566.67	1 Year RBLR +0.85 % (8.95%)	736.67	1 Year RBLR +0.93 % (9.95%)	Repayable in 60 equated monthly Installments of ₹ 14.17 lakhs
Bank of India (Repayment start from: September 2023 and last installment in August 2026)	41.67	1 Year RBLR +0.85 % (8.95%)	141.67	1 Year RBLR +0.93 % (9.95%)	Repayable in 36 equated monthly Installments of ₹ 8.33 lakhs
Bank of India (Repayment start from: December 2025 and last installment in November 2030)	457.43	1 Year RBLR +0.85 % (8.95%)	379.60	1 Year RBLR +0.93 % (9.95%)	Repayable in 60 equated monthly Installments of ₹ 20.84 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: February 2024 and last installment in January 2028)	252.08	PLR minus 4.65% (9.25%)	389.57	PLR minus 11.20% (9.25%)	Repayable in 48 equated monthly Installments of ₹ 11.46 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: May 2024 and last installment in April 2029)	823.32	PLR minus 4.00% (9.90%)	1,083.32	PLR minus 10.70% (10.50%)	Repayable in 60 equated monthly Installments of ₹ 21.67 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: June 2023 and last installment in November 2025)	-	-	53.33	PLR minus 10.70% (10.50%)	Repayable in 30 equated monthly Installments of ₹ 6.67 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: May 2025 and last installment in April 3030)	1,261.72	PLR minus 4.00% (9.90%)	1,365.75	PLR minus 10.70% (10.50%)	Repayable in 60 equated monthly Installments of ₹ 26.67 lakhs
Indusind Bank Limited, (Repayment start from: July 2024 and last installment in June 2029)	1,183.53	Repo Rate (8.53%)	717.02	3 Month CD Rate (9.28%)	Repayable in 60 equated monthly Installments of ₹ 22.50 lakhs
Indian rupee loan from Non-Banking Financial Company (NBFC)					
Tata Capital Financial Services Limited (Repayment start from: April 2023 and last installment in March 2028)	200.00	LTPLR plus 1.75% (10.50%)	300.00	LTLR minus 10.80% (10.95%)	Repayable in 60 equated monthly Installments of ₹ 8.33 lakhs
Tata Capital Financial Services Limited (Repayment start from: April 2023 and last installment in September 2025)	-	-	99.99	LTLR minus 10.80% (10.95%)	Repayable in 30 equated monthly Installments of ₹ 16.66 lakhs
Tata Capital Financial Services Limited (Repayment start from: October 2025 and last installment in September 2030)	750.00	LTPLR plus 1.75% (10.50%)	-	-	Repayable in 48 equated monthly Installments of ₹ 20.83 lakhs
Tata Capital Financial Services Limited (Repayment start from: October 2025 and last installment in September 2029)	437.50	LTPLR plus 1.75% (10.50%)	-	-	Repayable in 48 equated monthly Installments of ₹ 10.42 lakhs
Deferred expense towards processing fees is netted of against loan.	(149.76)		(175.99)		
	6,069.17		**5,958.71**		

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

Assets Pledged as security

The carrying amounts of assets Pledged as security for current and non-current borrowings are:

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Non-current assets		
- Property, plant and equipment (including leasehold land but excluding other right of use assets)	15,257.01	15,205.19
Current assets	25,243.13	21,634.71
Total assets Pledged as security	**40,500.14**	**36,839.90**

19 Lease liabilities (non-current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Lease liabilities (Refer note 41)	83.20	206.97
	83.20	**206.97**

20 Deferred tax liabilities (net)

The movement in deferred tax assets and liabilities during the year ended 31 March 2026 and 31 March 2025:

(₹ in lakhs)

Movement during the year ended 31 March 2026	As at 31 March 2025	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2026
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	1223.97	79.50	-	1,303.47
	1,223.97	**79.50**	**-**	**1,303.47**
Deferred tax assets				
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	124.07	135.34	-	259.41
Loss allowance - trade receivables	23.28	(6.76)	-	16.52
Provision for employee benefits	15.12	16.64	4.03	35.79
Right of use assets and lease liabilities (net)	(68.60)	18.32	-	(50.28)
	93.87	**163.54**	**4.03**	**261.44**
Deferred tax liabilities (net)	**1,130.10**	**(84.04)**	**(4.03)**	**1,042.03**

(₹ in lakhs)

Movement during the year ended 31 March 2025	As at 31 March 2024	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2025
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	1131.48	92.49	-	1,223.97
	1,131.48	**92.49**	**-**	**1,223.97**
Deferred tax assets				
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	15.87	108.20	-	124.07
Loss allowance - trade receivables	44.24	(20.96)	-	23.28
Provision for employee benefits	13.58	(20.57)	22.11	15.12
Right of use assets and lease liabilities (net)	47.70	(116.30)	-	(68.60)
	121.39	**(49.63)**	**22.11**	**93.87**
Deferred tax liabilities (net)	**1,010.09**	**142.12**	**(22.11)**	**1,130.10**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

21 Borrowings (current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Secured		
From Banks, repayable on demand		
- Cash credit / packing credit	5,962.75	5,246.07
Unsecured		
From supplier finance arrangements	250.21	-
Current maturities of long term borrowings (Refer note 18)	1,910.34	1,928.61
Interest accrued but not due on borrowings	16.26	11.77
	8,139.56	**7,186.45**

Cash credit/ packing credit from banks are secured by the first charge on all current assets both present and future and second charge on all the property, plant and equipment of the Company both present and future on pari passu basis with all members of consortium. The loans are secured by personal guarantee of Managing Director.

Supplier finance arrangement of the Company is characterised by finance provider offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangement at a date later than suppliers are paid. The arrangement provides the entity with extended payment terms compared to the related invoice payment due date. The range of payment due dates are 90-110 days.

22 Lease liabilities (current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Lease liabilities (Refer note 41)	274.30	356.43
	274.30	**356.43**

23 Trade payables

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Dues of micro enterprises and small enterprises (Refer note below)	847.20	668.46
Dues of creditors other than micro enterprises and small enterprises (Refer note 43)	6,811.22	6,518.14
	7,658.42	**7,186.60**
Disclosures required under Section 22 of the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006		
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	847.20	668.46
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
d. the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

Note:- This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

Ageing of Trade payables

₹ in lakhs

	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026						
Total outstanding dues of micro enterprises and small enterprises	185.95	661.25	-	-	-	847.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,335.01	2,360.41	113.95	1.85	-	6,811.22
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	4,520.96	**3,021.66**	**113.95**	**1.85**	**-**	**7,658.42**
As at 31 March 2025						
Total outstanding dues of micro enterprises and small enterprises	460.55	207.91	-	-	-	668.46
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,336.19	2,180.10	1.85	-	-	6,518.14
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	4,796.74	**2,388.01**	**1.85**	**-**	**-**	**7,186.60**

24 Other financial liabilities (current)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Un-claimed dividends*	3.68	9.23
Employee related liabilities	543.56	530.36
Payable for capital expenditure**	396.40	472.38
	943.64	**1,011.97**

* During the year unpaid dividend amount of ₹ 5.31 lakhs (pertaining to FY 2017-18) have been transferred to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

** Includes payable to micro enterprises and small enterprises ₹ 166.89 lakhs (31 March 2025 : ₹ 104.27 lakhs)

25 Other current liabilities

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Advance received from customers (Refer note 43)	1,051.15	249.22
Statutory dues	190.06	230.84
Others	-	38.52
	1,241.21	**518.58**

26 Provisions

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits		
Provision for compensated absences	85.94	67.90
	85.94	**67.90**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

27 Revenue from operations

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Sale of products		
Manufactured goods	35,062.53	34,427.66
Stock in trade	549.80	1,522.33
	35,612.33	**35,949.99**
Other operating revenue		
Product service income	912.04	1,080.01
Export incentives	516.64	490.96
Others (including scrap sale etc.)	7.14	42.59
	1,435.82	1,613.56
	37,048.15	**37,563.55**

A Disclosure as per Ind AS 115

The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

There are no significant variable components such as discounts, rebates, sales returns etc.

B Disaggregation of revenue:

₹ in lakhs

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A. Major Product/Service line:		
- Sale of pharmaceutical goods	35,612.33	35,949.99
- Product service income	912.04	1,080.01
- Others (Export incentives, others, etc.)	523.78	533.55
Total revenue from contracts with customers	**37,048.15**	**37,563.55**
B. Primary geographical market:		
-In India	5,944.28	6,656.94
-Outside India	31,103.87	30,906.61
Total revenue from contracts with customers	**37,048.15**	**37,563.55**
C. Timing of the revenue recognition:		
- Goods/services transferred at a point in time	37,048.15	37,563.55
- Goods/services transferred over time	-	-
Total revenue from contracts with customers	**37,048.15**	**37,563.55**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

C Contract Balances

Significant changes in contract liabilities balances are as follows:

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Contract Liabilities		
Advance received from customers (Refer note 25)		
Opening Balance	249.22	1,197.90
Add: Advance received during the year	7,148.46	5,797.63
Less: Revenue recognised/adjustment during the year	6,346.53	6,746.31
Less: Advance returned during the year	-	-
Closing balance	**1,051.15**	**249.22**

The contract liabilities primarily relate to the advance consideration received from customers for the sale of goods. This amount will be recognised as revenue within a period of one year.

28 Other income

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Interest income on financial assets measured at amortised cost		
-Fixed deposits	15.35	4.55
-Others (including interest income on utility deposits , security deposits etc.)	15.57	26.88
Dividend income on investments	0.75	0.75
Foreign exchange gain (net)	770.26	420.59
Reversal of loss allowance - trade receivables (Refer note 38 (B))	23.20	71.97
Profit on sales of assets	255.19	12.12
Other non-operating income (includes liabilities no longer required written back etc.)	58.67	25.23
	1,138.99	**562.09**

29 Cost of materials consumed

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Opening inventory	5,668.06	4,966.52
Add: Purchases	16,499.90	16,201.94
Less: Closing inventory	5,848.91	5,668.06
	16,319.05	**15,500.40**

30 Purchase of stock in trade

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Purchase of stock in trade	**746.83**	**1,157.82**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

31 Changes in inventories of finished goods and work- in- progress

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
At the end of the year		
Work-in-progress	537.99	745.21
Finished goods	2,843.68	2,022.32
	3,381.67	2,767.53
At the beginning of the year		
Work-in-progress	745.21	197.17
Finished goods	2,022.32	2,697.01
	2,767.53	2,894.18
	(614.14)	126.65

32 Employee benefits expenses

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, wages and bonus	5,363.76	5,108.49
Contribution to provident and other funds (Refer note 45(a))	205.55	187.66
Equity settled share based payments to employees (Refer note 47)	33.03	39.40
Gratuity expense (Refer note 45)	75.31	69.60
Staff welfare expenses	332.20	235.47
	6,009.85	5,640.62

33 Finance costs

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Interest costs		
on borrowings	1,123.43	926.94
on lease liabilities (Refer note 41)	52.27	77.49
on supplier finance arrangments	6.89	-
Interest on delayed payment of income tax	25.02	20.01
Other borrowing costs (including ancilliary costs to borrowings)	112.62	114.14
	1,320.23	1,138.58

34 Depreciation and amortisation expenses

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation on property, plant and equipment (Refer note 3)	1,717.80	1,824.46
Amortisation of intangible assets (Refer note 5 (A))	218.94	164.68
	1,936.74	1,989.14

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

35 Other expenses

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Consumption of stores and spares	97.61	89.10
Power and fuel	1,796.53	1,719.34
Water charges	20.32	19.37
Insurance	100.26	67.54
Repairs and maintenance		
Machines	519.45	416.80
Buildings	220.06	41.38
Others	416.75	336.94
Contractual services (Refer note 45)	2,592.31	2,329.68
Printing & stationery	54.20	41.38
Communication costs	53.50	51.75
Legal and professional fees	1,473.63	1,394.88
Payment to auditors (Refer note below (a))	66.12	63.70
Advertisement & sales promotion	271.17	247.98
Travelling and conveyance	590.28	538.15
Commission on sales	1,308.11	1,258.88
Freight and forwarding charges	860.46	888.68
Bad debts written off	78.11	212.71
Rates and taxes	64.16	15.29
Property, plant and equipment written off	3.51	13.71
Rent (Refer note 41)	17.02	12.61
Laboratories Expenses	587.76	623.48
Corporate social responsibility expenses (Refer note 52)	53.49	48.53
Miscellaneous expenses (includes bank commission, factory expensec etc.)	383.75	379.34
	11,628.56	10,811.22

Note

(a) Payment to auditors (excluding taxes)

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
For audit	60.00	51.75
For other services	3.50	10.00
For reimbursement of expenses	2.62	1.95
	66.12	63.70

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

36 Tax (expense)

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Current tax for the year (net of Minimum alternative tax utilisation ₹ Nil (31 March 2025: ₹ 30.74 lakhs))	(327.85)	(396.83)
Tax adjustments pertaining to earlier years	0.31	(47.86)
Deferred tax expenses		
Increase / (Decrease) in deferred tax assets	167.57	(27.52)
(Increase) in deferred tax liabilities	(79.50)	(92.49)
	88.07	**(120.01)**
	(239.47)	**(564.70)**
Tax (expense) / credit recognised in Statement of profit and loss	(243.50)	(586.81)
Tax (expense) / credit recognised in other comprehensive income	4.03	22.11
	(239.47)	**(564.70)**

Tax reconciliation

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Profit before tax	**840.02**	**1,761.21**
Tax at the rate of 29.12% (31 March 2025: 29.12%)	(244.61)	(512.86)
Tax adjustment pertaining to earlier years	0.31	(47.86)
Tax effect of amounts which are mentioned below		
Permanent Disallowances	(7.28)	(5.82)
Allowances / Disallowances under specific provisions of Income tax act, 1961 (net)	27.03	1.84
Disallowance of Donation/Corporate social responsibility expenses	(18.95)	(22.11)
	(243.50)	**(586.81)**

37 Fair value measurements

Financial instruments by category:

All financial assets and financial liabilities, except investment in equity shares (not made in subsidiaries) of the Company are under the amortised cost measurement category at each of the reporting date.

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received on selling of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

Financial assets and liabilities measured at fair value at each reporting date

Investment in equity shares (other than subsidiaries) are measured at fair value through profit or loss at each reporting date.

Financial assets and financial liabilities measured at amortised cost, but for which fair values are disclosed as below:

(₹ in lakhs)

Fair value for assets and liabilities measured at amortised cost	31 March 2026				31 March 2025			
	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3	Carrying amount
Financial liabilities								
Non-current borrowings (including current maturities)	-	6,069.17	-	6,069.17	-	5,958.71	-	5,958.71
Lease liabilities	-	-	357.50	357.50	-	-	563.40	563.40
Financial assets								
Non-current investment (excluding Investment in subsidiaries)	-	-	5.00	5.00	-	-	5.00	5.00
Other financial assets	-	-	299.41	299.41	-	-	259.73	259.73

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of security deposits, trade receivables, current loans, other financial assets, fixed deposits with banks, current borrowings, trade payables, lease liabilities and other current financial liabilities are considered to be approximately equal to their fair value.

Valuation processes

The Company evaluates the fair value of financial assets and financial liabilities on periodic basis using the best and most relevant data available.

38 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Risk Committee.

The Company is exposed to market risk, credit risk and liquidity risk.

A Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits , foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Chief financial officer. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market risk - Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

According to the Company, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

₹ in lakhs

Particulars	As at 31 March 2026	As at 31 March 2025
Total Borrowings	12,298.39	11,216.55
% of Borrowings out of above bearing variable rate of interest	100%	100%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax and Other Equity

₹ in lakhs

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
50 bp increase would decrease the profit before tax by	(61.49)	(56.08)
50 bp increase would decrease the profit before tax by	61.49	56.08

Market risk - Foreign currency risk management

The Company operates internationally wherein portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31 March 2026

(Amount in lakhs)

Particulars	USD		EURO		AED		CAD		GBP	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	74.37	7,058.55	2.76	300.71	-	-	-	-	0.29	36.24
Trade payables	4.61	437.41	0.36	38.89	1.97	50.82	0.02	1.42	-	-
Advance received from customers	2.18	198.18	0.17	18.09	25.43	606.11	-	-	-	-
Balance in EEFC Account	0.00	0.04	-	-	-	-	-	-	-	-
PCFC and PFCFC	10.00	948.55	-	-	-	-	-	-	-	-
Export commission	8.59	814.36	0.37	40.85	-	-	-	-	-	-

As at 31 March 2025

(Amount in lakhs)

Particulars	USD		EURO		AED		CAD		GBP	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	81.14	6,936.51	4.91	452.56	6.04	140.60	0.32	19.31	0.66	73.48
Trade payables	13.16	1,124.82	0.37	33.73	-	-	0.01	0.36	-	-
Advance received from customers	2.72	235.07	-	-	-	-	-	-	-	-
Balance in EEFC Account	0.29	24.50	-	-	-	-	-	-	-	-
PCFC and PFCFC	8.54	730.16	-	-	-	-	-	-	-	-
Export commission	6.04	516.61	0.93	86.04	0.93	21.53	-	-	-	-

Material accounting policy information and other explanatory information to the standalone financial statements

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Sensitivity to foreign currency risk

(₹ in lakhs)

Particulars	Impact on profit before tax and Other Equity	
	Year ended 31 March 2026	Year ended 31 March 2025
USD sensitivity		
INR / USD		
Increase by 5%	233.00	217.72
Decrease by 5%	(233.00)	(217.72)
EURO sensitivity		
INR / EURO		
Increase by 5%	10.14	16.64
Decrease by 5%	(10.14)	(16.64)
AED sensitivity		
INR / AED		
Increase by 5%	(32.85)	5.95
Decrease by 5%	32.85	(5.95)
CAD sensitivity		
INR / CAD		
Increase by 5%	(0.07)	0.95
Decrease by 5%	0.07	(0.95)
GBP sensitivity		
INR / CAD		
Increase by 5%	1.81	3.67
Decrease by 5%	(1.81)	(3.67)

B Credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The presumption under Ind AS 109 with reference to significant increase in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Company, as the Company is able to collect a significant portion of its receivables that exceed the due date and the receivables past due by 90 days are considered generally as significant increase in credit risk.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

Credit risk management

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. There is no significant concentration of credit risk.

Bank balances are held with only high rated banks and majority of security deposits are placed majorly with government agencies. Trade receivables are generally recovered within the credit period. The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Trade receivables

(Rs. in lakhs)

	Not due	0-12 months	1-2 years	2-3 years	more than 3 years	Total
As at 31 March 2026						
Gross Carrying amount of - trade receivables	6,679.15	2,499.81	79.49	5.11	21.58	9,285.14
Gross Carrying amount of - contract assets	-	-	-	-	-	-
Expected credit loss - trade receivables (%)	0.01%	0.16%	0.63%	29.35%	67.84%	
Expected credit loss - trade receivables	0.71	3.99	0.50	1.50	14.64	21.34
Expected credit impaired - trade receivables	-	-	28.50	-	6.94	35.44
Carrying amount of trade receivables (net of impairment)	**6,678.44**	**2,495.82**	**50.49**	**3.61**	**-**	**9,228.36**
Carrying amount of contract assets (net of impairment)	-	-	-	-	-	-
As at 31 March 2025						
Gross Carrying amount of - trade receivables	7,864.65	1,470.01	32.58	51.55	29.25	9,448.04
Gross Carrying amount of - contract assets	-	-	-	-	-	-
Expected credit loss - trade receivables (%)	0.01%	0.16%	2.15%	0.00%	100.00%	
Expected credit loss - trade receivables	1.16	2.39	0.70	-	29.25	33.50
Expected credit impaired - trade receivables	-	-	-	46.48	-	46.48
Carrying amount of trade receivables (net of impairment)	**7,863.49**	**1,467.62**	**31.88**	**5.07**	**-**	**9,368.06**
Carrying amount of contract assets (net of impairment)	-	-	-	-	-	-

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Reconciliation of loss allowance of trade receivables

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	79.98	151.95
Additions	28.50	37.18
Reversal against recoveries/bad debts	(51.70)	(109.15)
	(23.20)	(71.97)
Balance at the end of the year	**56.78**	**79.98**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

C Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities - borrowings, trade payables, lease liabilities and other financial liabilities.

Liquidity risk management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. The processes and policies related to such risks are overseen by Chief financial officer. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of non – derivative financial liabilities

As at 31 March 2026

(₹ in lakhs)

Particulars	0 month to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-current borrowings (including current maturities) (non-discounted)	2,498.95	4,878.14	-	7,377.08
Current borrowings	5,962.75	-	-	5,962.75
Interest accrued but not due on borrowings	16.26	-	-	16.26
Trade payables	7,658.42	-	-	7,658.42
Lease liabilities (non-discounted)	313.87	90.69	-	404.56
Other current financial liabilities	943.64	-	-	943.64
Total	**17,393.89**	**4,968.83**	**-**	**22,362.71**

As at 31 March 2025

(₹ in lakhs)

Particulars	0 month to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-current borrowings (including current maturities) (non-discounted)	2,444.33	4,922.85	-	7,367.18
Current borrowings	5,246.07	-	-	5,246.07
Interest accrued but not due on borrowings	11.77	-	-	11.77
Trade payables	7,186.60	-	-	7,186.60
Lease liabilities (non-discounted)	494.10	404.57	-	898.67
Other current financial liabilities	1,011.97	-	-	1,011.97
Total	**16,394.84**	**5,327.42**	**-**	**21,722.26**

39 Capital management

Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders. The Company has complied with financial covenants.

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
The capital composition is as follows:		
Net debt#	10,418.82	11,180.19
Total equity	28,635.21	24,451.38
Net debt to equity ratio	**36%**	**46%**

includes non-current borrowings (including current maturities), current borrowings and Interest accrued but not due on borrowings (net of cash and cash equivalents)

40 Changes in liabilities arising from financing activities

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Cash and cash equivalents	1,879.57	36.36
Non- current borrowings (including current maturities)	(6,069.17)	(5,958.71)
Current borrowings	(6,212.96)	(5,246.07)
Lease liabilities	(357.50)	(563.40)
Interest accrued but not due on borrowings	(16.26)	(11.77)
Net Debt	**(10,776.32)**	**(11,743.59)**

(₹ in lakhs)

	Cash and cash equivalents	Non- current borrowings (including current maturities)	Current borrowings	Lease liabilities	Interest accrued but not due on borrowings	Total
Net as at 01 April 2024	**17.35**	**(5,117.32)**	**(5,503.96)**	**(542.13)**	**(13.98)**	**(11,160.04)**
Cash flows (net)	19.01	(930.38)	252.65	358.16	-	(300.56)
Adjustments on account of financial liabilities measured at amortised cost	-	88.99	-	(379.43)	-	(290.44)
Exchange differences	-	-	5.24	-	-	5.24
Finance cost expense	-	-	-	-	(1,138.58)	(1,138.58)
Finance cost paid	-	-	-	-	1,140.79	1,140.79
Net as at 31 March 2025	**36.36**	**(5,958.71)**	**(5,246.07)**	**(563.40)**	**(11.77)**	**(11,743.59)**
Cash flows (net)	1,843.21	(84.22)	(934.08)	393.88	-	1,218.79
Adjustments on account of financial liabilities measured at amortised cost	-	(26.24)	-	(187.98)	-	(214.22)
Exchange differences	-	-	(32.81)	-	-	(32.81)
Finance cost expense	-	-	-	-	(1,320.23)	(1,320.23)
Finance cost paid	-	-	-	-	1,315.74	1,315.74
Net as at 31 March 2026	**1,879.57**	**(6,069.17)**	**(6,212.96)**	**(357.50)**	**(16.26)**	**(10,776.32)**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

41 Leases

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Right of use Assets (Refer note 3) :		
Leasehold Land*	1228.12	1067.28
Other Right of use Assets		
Buildings	83.29	103.62
Plant and equipment	297.08	519.33
	380.37	622.95
	1,608.49	**1,690.23**
Lease liabilities		
Current (Refer note 22)	274.30	356.43
Non-current (Refer note 19)	83.20	206.97
	357.50	**563.40**

* There are no lease liabilities in respect of the leasehold land as the entire amount has been paid upfront on the date of the execution of the lease agreement with respective authorities.

₹ in lakhs

Amounts recognised in statement of profit and loss	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation charge on (Refer note 3)		
Leasehold Land	14.27	12.88
Other Right of use Assets		
Buildings	88.37	71.06
Plant and equipment	372.39	370.07
	460.76	441.13
	475.03	**454.01**
Interest expense included in finance cost (Refer note 33)	52.27	77.49
Expense relating to short-term leases (Refer note 35)	17.02	12.61
Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
Expense relating to variable lease payments not included in lease liability	-	-
Total cash outflow for leases during current financial year (excluding short term leases)	393.88	358.16
Additions to the right of use assets during the current financial year	646.34	911.61

42 Research and development expenditure

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Revenue expenditure charged to Statement of Profit and Loss (under notes 32, 34 and 35)	1,994.08	2,171.63
Capital Expenditure (under notes 3 and 4)	36.63	132.00
	2,030.71	**2,303.63**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

43 Related Party Disclosures

As per Ind AS 24 "Related Party Disclosures", disclosure of transactions, balances and gurantees with the related parties as defined in the Indian Accounting Standard are given below:

A. List of related parties and relationship (to the extent where transactions have taken place and relationship of control):

(i) Subsidiaries

ZIM Health Technologies Limited, India	Wholly Owned Subsidiary Company
SIA ZIM Laboratories Limited, Latvia	Wholly Owned Subsidiary Company
ZIM Laboratories FZE,UAE	Wholly Owned Subsidiary Company
ZIM Thinorals Private Limited, India	Wholly Owned Subsidiary Company
ZIMTAS PTY Limited, Australia	Subsidiary Company
ZIM Laboratories Middle East DMCC, UAE (up to 23 February 2026)	Step-down Subsidiary Company
ZIM Scientific Office L.L.C, UAE (w.e.f. 15 November 2024)	Step-down Subsidiary Company

(ii) Key Managerial Personnel

Key Managerial Personnel	Nature of relationship
Dr. Anwar S. Daud	Managing Director and shareholder with significant influence
Mr. Zulfiquar Kamal	Director (Finance)
Mr. Niraj Dhadiwal	Executive Director
Mr. Prakash Sapkal	Executive Director
Mr. Padmakar Joshi	Independent Director
Mrs. Kavita Loya	Independent Director
Dr. Kamlesh Shende	Independent Director
Dr. Kakasaheb Mahadik (upto 31 March 2025)	Independent Director
Mr. Ashok Bhatia (w.e.f. 01 April 2025)	Independent Director
Mr. Piyush Nikhade	Company Secretary & Compliance Officer
Mr. Shyam Mohan Patro	Chief Financial Officer

(iii) Other significant influences

Elizabeth Mathew (upto 11 November 2025)	Shareholder exercising significant influence
Elimath Advisors Private Limited (w.e.f. 11 November 2025)	Shareholder exercising significant influence
Zakir Vali (upto 13 March 2026)	Shareholder exercising significant influence

B. Nature of transactions:

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
1) Remuneration*		
Dr. Anwar S. Daud	154.08	146.74
Mr. Zulfiquar Kamal	101.88	91.88
Mr. Niraj Dhadiwal	95.81	100.23
Mr. Prakash Sapkal	85.05	101.91
Mr. Piyush Nikhade	52.37	43.14
Mr. Shyam Mohan Patro	90.79	81.05

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
2) Director's fees		
Mr. Padmakar Joshi	7.00	7.00
Mrs. Kavita Loya	9.00	9.00
Dr. Kamlesh Shende	7.00	7.00
Dr. Kakasaheb Mahadik	-	7.00
Mr. Ashok Bhatia	20.00	-
3) Professional fees (expenses)		
ZIM Health Technologies Limited, India	267.72	357.79
ZIM Laboratories FZE,UAE	46.59	-
4) Rent paid		
Dr. Anwar S. Daud	29.25	28.45
5) Sale of products		
ZIM Laboratories FZE,UAE	2,778.38	3,219.28
ZIM Scientific Office L.L.C,UAE	91.51	-
6) Investment (in equity shares)		
SIA ZIM Laboratories Limited, Latvia	291.75	316.84
ZIMTAS PTY Limited, Australia	89.45	68.25
7) Deemed Investment (Refer note 6)		
ZIM Health Technologies Limited, India	80.46	96.00
8) Share Application Money received, shares were allotted during the year under ESOS		
Mr. Piyush Nikhade	2.32	-
Mr. Shyam Mohan Patro	3.10	-

C. Balances outstanding at year end (#)

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Payable to Key Managerial Personnel		
Dr. Anwar S. Daud	8.02	6.34
Mr. Zulfiquar Kamal	5.74	3.47
Mr. Niraj Dhadiwal	4.38	3.94
Mr. Prakash Sapkal	3.43	1.61
Mr. Piyush Nikhade	1.53	1.66
Mr. Shyam Mohan Patro	3.71	3.34
Trade payable		
Dr. Anwar S. Daud	6.16	6.40
Mr. Padmakar Joshi	0.53	1.58
Mrs. Kavita Loya	0.68	2.03
Dr. Kamlesh Shende	0.53	1.58
Dr. Kakasaheb Mahadik	-	1.58
ZIM Health Technologies Limited, India	381.07	303.58
ZIM Laboratories FZE,UAE	46.59	-
Advance received from customers		
ZIM Laboratories FZE,UAE	602.77	-
Trade receivables		
ZIM Laboratories FZE,UAE	-	196.11

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

Key Managerial Personnel' compensation

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
a) Short- term employee benefits	608.36	584.72
b) Post- employment benefits	14.62	10.23
Total compensation	**622.98**	**594.95**

* The remuneration to key management personnel does not include provision for employee benefits determined on actuarial basis.

Equity investments by the Company and equity infusion into the Company are not considered for disclosure as these are not considered "outstanding" exposures". Refer notes 6 and 16 for the same.

All the transactions stated above with related parties are on arm's length basis and in normal course of business.

All borrowings are guaranteed by the managing director of the Company (Refer notes 18 and 21).

44 Contingent liabilities and commitments

(A) Contingent liabilities

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Income Tax Assessments for earlier years for disallowance of expenditure, pending in appeal	395.95	395.95
Input tax credit mismatch under GST, pending in appeal	28.73	-
Import Duty saved under the Advance License scheme considering export obligation to be fulfilled within the period allowed	585.07	57.89

Notes:
1. The Company does not expect any reimbursement in respect of the above contingent liabilities.
2. It is not practical to estimate the timing of cash outflows, if any, in respect of matters above, pending resolution/completion of the appellate proceedings/other proceedings, as applicable.

(B) Commitments

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Estimated value of contracts in capital account remaining to be executed (net of capital advance)	1,100.09	1,117.88

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

45 Employee benefits

As per Indian Accounting Standard-19, 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Employer's Contribution to Provident fund	141.08	146.02
Employer's Contribution to ESIC	8.61	8.52
Employer's Contribution to Labour welfare fund	0.74	0.79
Employer's Contribution to Pension fund	55.12	32.33
	205.55	**187.66**

(b) Defined Benefits Plan :

Gratuity

Under the gratuity plan, every employee is entitled to the benefit equivalent to fifteen days salary (as per last drawn salary) for each completed year of service or part thereof in excess of six months depending on the date of joining and eligibility terms, in terms of provisions of the Payment of Gratuity Act,1972 and Code on Wages, 2019. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service for permanent employees and one years of continuous service for fixed term employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method. The scheme is funded with an insurance company in the form of qualifying insurance policy for permanent employees and unfunded for fixed term employees classified as part of "Contractual services"

Changes to Employee Benefits upon notification of Labour Codes

The Government of India notified the Code on Wages , 2019, the Industrial Relations Code, 2020, the Code on Social Security , 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "Labour Codes"). These Labour Codes, which have become effective from 21 November 2025, consolidate and rationalise 29 labour laws and introduce, among other matters, a uniform definition of "Wages". Also the Labour Codes have modified certain employee benefits and eligibility conditions in respect of those benefits. Accordingly, during the year, the Company has recognised past service cost on account of eligibility of fixed term employees under Gratuity benefits in the Statement of Profit and Loss and classified as part of "Contractual services".

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Mortality Table	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Discount rate	7.23%	6.65%
Discount rate- fixed term employees	6.48%	-
Salary growth rate	5.00%	5.00%
Withdrawal rate	12.00%	12.00%
Withdrawal rate- fixed term employees	0.00%	-
Expected rate & return on Plan assets	7.23%	6.65%
Expected rate & return on Plan assets- fixed term employees	N.A.	-

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₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Changes in the Fair value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	1,055.07	931.68
Interest Income	70.16	66.99
Employer's Contribution	12.98	54.45
Benefits Paid	-	-
Actuarial adjustment: Return on plan assets, excluding amount recognised in net interest expense	(2.22)	1.95
Fair Value of Plan Assets at the end of the year	**1,135.99**	**1,055.07**
Changes in the Present Value of Obligation		
Present Value of Obligation at the beginning of the year	999.70	898.64
Current Service Cost	78.99	71.97
Interest Expenses or Cost	66.48	64.61
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in the demographic assumptions	-	-
- change in the financial assumptions	(28.25)	24.27
- experience variance (i.e. Actual experience v/s assumptions)	39.87	53.63
Past Service Cost	41.90	-
Benefits Paid	(92.69)	(113.42)
Present Value of Obligation at the end of the year	**1,106.00**	**999.70**

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Amount recognised in the Balance Sheet		
Present Value of Obligation at the end of the year	1,106.00	999.70
Fair Value of Plan Assets at the end of the year	(1,135.99)	(1,055.07)
Net (Asset) recognised at the end of the year	**(29.99)**	**(55.37)**
Percentage of each category of plan assets to total fair value of plan assets as at year end:		
Administered by Life Insurance Corporation of India	100.00%	100.00%

₹ in lakhs

	Year ended 31 March 2026	Year ended 31 March 2025
Expenses recognised in the Statement of Profit and Loss		
Current service cost	78.99	71.97
Past service cost	41.90	-
Loss / (Gain) on settlement	-	-
Net Interest cost / (income) on the Net Defined Benefit Liability / (Asset)	(3.68)	(2.37)
Total expenses recognised in the Statement of Profit and Loss	**117.21**	**69.60**
Actuarial (gain) / loss		
Actuarial (gain) / loss on Obligation for the period	11.63	77.90
Return on Plan Assets, excluding interest income	2.22	(1.95)
Actuarial (gain) / loss recognised in Other Comprehensive Income	**13.85**	**75.95**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	6 years	6 years
Weighted average duration (based on discounted cash flows)- fixed term employees	2 years	-

Expected cash flows over the next (valued on undiscounted bas`is) as follows :

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Year 1	182.44	181.45
Year 2	169.45	113.25
Year 3	138.93	116.39
Year 4	137.62	115.22
Year 5	127.86	115.52
Thereafter	871.57	813.10

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, withdrawal rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

₹ in lakhs

	As at 31 March 2026	As at 31 March 2025
Defined Benefit Obligation (Base)	1,106.00	999.70

₹ in lakhs

	Year ended 31 March 2026		Year ended 31 March 2025	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	50.16	(45.54)	48.63	(43.95)
(% change compared to base due to sensitivity)	4.5%	-4.1%	4.9%	-4.4%
Salary Growth Rate (-/+ 1%)	(42.19)	44.61	(41.11)	43.84
(% change compared to base due to sensitivity)	-3.8%	4.0%	-4.1%	4.4%
Attrition Rate (+/- 1%)	(6.15)	5.46	(4.62)	4.09
(% change compared to base due to sensitivity)	-0.6%	0.5%	-0.5%	0.4%

(c) Compensated absences

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and net charge to the Statement of Profit and Loss for the year under "Employee benefits expenses" is ₹ 226.76 lakhs (Previous Year: ₹ 205.89 lakhs) and under "Contractual services" is ₹ 3.15 lakhs (Previous Year: ₹ Nil).

46 Segment information

The Company is primarily engaged in the business of pharmaceuticals. The Company has entrusted decision making authority to the Managing Director (highest authority) who is the Chief Operating Decision Maker (CODM) who has complete control over the operating decisions and is responsible for the information presented to the Board of Directors. Managing Director reviews the Company's performance based on the analysis of the Profit Before Tax (PBT) at an overall entity level and therefore there is no other separate reportable segment for the Company as defined by Ind AS 108 "Operating Segment".

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

Information about geographical areas are as under :

(Rs. in lakhs)

Particulars	31 March 2026			31 March 2025		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from operations*	5,944.28	31,103.87	37,048.15	6,656.94	30,906.61	37,563.55
Carrying amount of segment assets (non-current)**	21,959.59	3,217.00	25,176.59	20,702.88	2,475.14	23,178.02
Carrying amount of segment assets (current)***	14,140.85	7,395.50	21,536.35	13,969.19	7,575.98	21,545.17
Capital expenditure for the year	3,420.32	891.85	4,312.17	4,079.09	815.55	4,894.64
- Tangible	3,346.10	-	3,346.10	4,067.96	-	4,067.96
- Intangible	74.22	891.85	966.07	11.13	815.55	826.68

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2.1

*As per Ind AS 108 - Operating Segments, the Company is required to disclose revenue from individual external customers when it is 10 per cent or more of entity's revenue. Details of individual external customers has revenue equal to or more than 10 per cent Company's revenue are as follows :

(₹ in lakhs)

Customer	31 March 2026			31 March 2025		
	In India	Outside India	Total	In India	Outside India	Total
Customer A	-	6,002.57	6,002.57	-	5,591.41	5,591.41

**The carrying amount of non-current segment assets exclude financial assets, income tax assets (net).

***The carrying amount of current segment assets exclude Cash and cash equivalents, Bank balances other than cash and cash equivalents & Interest receivable.

47 Share based payments

₹ in lakhs

	31 March 2026	31 March 2025
Share based payments		
Equity settled share based payments to employees	33.03	39.40
Share options outstanding reserve	243.44	135.40

Resolution passed by Nomination & Remuneration committee and Board at its meeting dated 23 December 2023 and the shareholders through postal ballot on 28 January 2024 had approved the 'ZIM Laboratories Employee Stock Option Scheme 2023' ("ESOS 2023"/ "Scheme"), to create, offer, issue, grant and allot from time to time, in one or more tranches, not exceeding 994,404 (Nine Lakhs Ninety-four Thousand Four Hundred and Four) employee stock options ("Options") to the eligible employees of the Company and/or its subsidiary companies exercisable into not more than 994,404 (Nine Lakhs Ninety-four Thousand Four Hundred and Four) equity shares.

During the previous year, The Nomination and Remuneration Committee in its meeting held on 13 April 2024 granted 687,257 options to the eligible employees of the Company and the subsidiary at an exercise price of ₹ 77.40. Remaining options of 307,147 are available in the ESOP Pool to be granted to the employees of the Company and its subsidiaries.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

I. The position of the ESOS of the Company as at 31 March 2026 is as under:

S.No.	Particulars	ESOS
1	Total number of stock options approved	994,404
2	Maximum term of Options granted (years)	2 years from date of last vesting or 6 years from the date of grant
3	Source of shares (Primary, Secondary or combination)	Primary
4	Variation in terms of options	No variation
5	Exercise Price per option	at a discount of 20% on market price on grant date (i.e. Rs 77.40)
6	The exercise period	Exercise anytime within two year from date of vesting
7	Weighted average exercise price* (Rs.)	77.40
8	Weighted average remaining life (in years)	4

*The Black Scholes valuation model has been used for computing weighted average fair value of option on grant date considering the following information:

Particulars	Particulars
1. Risk Free Interest Rate	7.01%
2. Expected Life (year)	4
3. Expected Volatility	55.79%
4. Dividend Yield	0.00%

II. Weighted average exercise price of options granted during the year whose	
Exercise price equals to market price of the stock	Nil
Exercise price exceeds market price of the stock	Nil
Exercise price is less than the market price of the stock	77.40

III. Weighted average fair value of options granted during the year whose	
Exercise price equals to market price of the stock	Nil
Exercise price exceeds market price of the stock	Nil
Exercise price is less than the market price of the stock	54.44

IV. The movement of stock options during the year ended 31 March 2026 are summarized below:

Particulars	Number of options
Options outstanding at the beginning of the year	6,87,257
Options Forfeited / lapsed during the year	Nil
Options granted during the year	Nil
Options vested during the year	68,726
Options exercised during the year	10,000
Total number of shares arising as a result of exercise of options	10,000
Money realised by exercise of options	7,74,000
Expired during the year	Nil
Options outstanding at the end of the year	6,77,257
Options exercisable at the end of the year	58,726

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

V. The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at 31 March 2026 is as follows:

Grant Date	Number of options	Vesting Date	Exercise End Date	Exercise Price	Expected remaining contractual life
13 April 2024	68,726	14 April 2025	13 April 2027	77.40	1.04
13 April 2024	1,37,451	14 April 2026	13 April 2028	77.40	2.04
13 April 2024	2,06,177	14 April 2027	13 April 2029	77.40	3.04
13 April 2024	2,74,903	14 April 2028	13 April 2030	77.40	4.04

VI. Cash inflow on exercise of options and weighted average share price at the date of exercise: Not applicable, as options not exercised during the year.

VII. The estimates of future cash inflow that may be received upon exercise of options:

₹ in lakhs

	Year ended 31 March 2026	Year Ended 31 March 2025
Within one year	106.39	53.19
Between two years to five years	372.36	478.75

48 Earnings per share

₹ in lakhs

		Year ended 31 March 2026	Year Ended 31 March 2025
I.	**Profit Computation for both Basic and Diluted Earnings per share:**		
	Net Profit attributable to equity share holders	596.52	1,174.40
II.	**Computation of weighted average number of equity shares :**		
	Weighted average number of equity shares in calculating basic EPS	4,89,79,144	4,87,25,814
	Weighted average number of equity shares in calculating diluted EPS	4,89,79,144	4,87,25,814
III.	**Earnings Per Share:**		
	Basic Earning Per Share (Rs.) (Face value of Rs. 10 per share)	1.22	2.41
	Diluted Earning Per Share (Rs.) (Face value of Rs. 10 per share)	1.22	2.41

49 Earnings in foreign currency (accrual basis)

₹ in lakhs

	Year ended 31 March 2026	Year Ended 31 March 2025
Exports at F.O.B. value	29,574.47	29,167.42
Product service income	912.04	1,079.94
	30,486.51	**30,247.36**

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For the year ended 31 March 2026

50 Ratio Analysis and its elements

Ratio	Basis		Year ended 31 March 2026	Year ended 31 March 2025	% change
Current ratio	Current Assets / Current Liabilities	Times	1.36	1.30	4%
Debt- Equity Ratio	Total Debt / Total Equity	%	43%	46%	-6%
Debt Service Coverage Ratio	Earnings for debt service (Note a) / Debt Service	Times	1.11	1.63	-32%
Return on Equity Ratio	Profit After Tax / Average Equity	%	2.25%	4.93%	-54%
Inventory Turnover Ratio	Cost of Goods Sold / Avg. Inventory	Times	1.83	2.00	-9%
Trade Receivable Turnover Ratio	Revenue from Sale of Products / Average Trade Receivables	Times	3.83	3.71	3%
Trade Payable Turnover Ratio	Net Credit Purchase / Average Trade Payables (Note b)	Times	3.98	4.42	-10%
Net Capital Turnover Ratio	Revenue from Operations / Working Capital (Note c)	Times	5.58	7.49	-26%
Net Profit Ratio	Net Profit After Tax / Revenue from operations	%	1.61%	3.13%	-48%
Return on Capital Employed	Earnings before Interest and Tax (Note d) / Capital Employed (Note e)	%	5.64%	8.34%	-32%
Operating Profit Margin	Earnings before Interest and Tax (Note d) / Revenue from operations	%	5.83%	7.72%	-24%
Basic EPS	Net Profit attributable to equity share holders / Weighted average number of equity shares	Times	1.22	2.41	-49%
Interest coverage ratio	Earnings before Interest and Tax (Note d) / Finance costs	Times	1.64	2.55	-36%
Return on Investment			NA (Note f)	NA (Note f)	

Note:

a) Earnings for Debt Service = Net Profit after tax + Depreciation and amortisation expense + Finance costs (recognised excluding lease), Debt Service = Principal Repayments +Finance costs (recognised excluding lease).

b) Average Trade Payables = Average Trade payables for the materials purchase.

c) Working Capital = Current Assets - Current Liabilities.

d) Earnings before Interest and Tax = Profit before tax + Finance costs (recognised excluding lease).

e) Capital Employed = Average of equity and total borrowings.

f) The Company has investments in subsidiaries and other insignificant trade investment.

Reasons for ratio variances exceeding 25%.

i) Debt Service Coverage Ratio: Decreased by 32% in the current year due to decrease in profitability and increased finance costs and borrowings of the Company.

(ii) Return on Equity Ratio: Decreased by 54% in the current year due to decrease in profitability of the Company.

(iii) Net Capital Turover Ratio : Decreased by 26% in the current year due to increased working capital of the Company.

(iv) Net Profit Ratio: Decreased by 48% in the current year due to decrease in profitability and increased finance costs of the Company.

(v) Return on Capital Employed: Decreased by 32% in the current year due to decrease in profitability of the Company.

(vi) Basic EPS: Decreased by 49% in the current year due to decrease in profitability of the Company.

(vii) Interest coverage ratio : Decreased by 36% in the current year is mainly due to decrease in profitability and increased finance costs on account of working capital.

51 The Company has used an accounting software for maintaining its books of accounts for the year ended 31 March 2026 which has a feature of recording audit trail (edit log) facility and the audit trail feature at the application level has operated throughout

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

the year for all relevant transactions recorded in the software. However, with respect to audit trail at database level, audit trail login was available but DML (Data Manipulation Language) operations relating to change data was not enabled. Subsequent to the year ended 31 March 2026, the Company has enabled DML operations relating to change data at database level. Additionally, the audit trail that was enabled and operated at application level for the year ended 31 March 2026 has been preserved by the Company as per the statutory requirements for record retention.

52 Contribution towards Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows :

₹ in lakhs

Particulars		Year ended 31 March 2026	Year ended 31 March 2025
Average net profit of the Company for last three financial years		2,550.15	2627.84
Prescribed CSR expenditure (2% of the average net profit as computed above)		51.00	52.56
Details of CSR expenditure during the financial year :			
(a) Total amount required to be spent for the financial year		51.00	52.56
(b) Amount approved by the Board to be set-off for the financial year		-	4.06
(c) Amount approved by the Board to be spent for the financial year		53.74	48.53
(d) Amount spent for the financial year ending on 31March 2026 :	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	53.49	-	53.49
(e) Amount spent for the financial year ending on 31March 2025:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	48.53	-	48.53

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2026

₹ in lakhs

	Year ended 31 March 2026	Year Ended 31 March 2025
(f) Details related to spent/ unspent obligations :		
(i) Rural support programme and other activities mentioned in Schedule VII of the Companies Act, 2013	53.49	48.53
(ii) Unspent amount in relation to :		
-Ongoing project	-	-
-Other than ongoing project	-	-
	53.49	**48.53**

In case of Section 135(5) (Other than ongoing Project)

Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent for the year	Amount spent for the year	Closing Balance
-	-	51.00	53.49	2.49

In case of Section 135(5) Excess amount spent

Opening Balance	Amount required to be spent for the year	Amount spent for the year	Closing Balance
-	51.00	53.49	2.49

53 Figures of the previous year has been re-grouped/re-arranged wherever necessary. The impact of the same is not material to the users of standalone financial statements.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 19 May 2026

Zeal & Innovation in Medicine

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