



August 22, 2024

Listing Department

Code: 531335

BSE LIMITED

P. J. Towers, Dalal Street,

Mumbai-400 001

Listing Department

Code: ZYDUSWELL

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, C/1, Block G,

Bandra Kurla Complex,

Bandra (E),

Mumbai-400 051

Re: Transcript of 30th Annual General Meeting of the Company

Dear Sir / Madam,

Please find enclosed herewith the transcript of the 30th Annual General Meeting of the Company held on August 2, 2024.

Please find the same in order.

Thanking you,

Yours faithfully,

For, **ZYDUS WELLNESS LIMITED**

NANDISH P. JOSHI

COMPANY SECRETARY

Encl.: As above.

Zydus Wellness Limited

Regd. Office: 'Zydus Corporate Park', Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad – 382481, India.

Phone No.: +91-79-71800000; **Website:** www.zyduswellness.com

CIN: L15201GJ1994PLC023490

“30th Annual General Meeting”

August 2, 2024

10:00 A.M. IST to 10:40 A.M. IST

PARTICIPANTS:

Dr. Sharvil P. Patel

Chairman

Ms. Dharmishtaben N. Raval

Non-Executive and Independent Director

Mr. Srivishnu R. Nandyala

Non-Executive and Independent Director

Mr. Akhil A. Monappa

Non-Executive and Independent Director

Mr. Kulin S. Lalbhai

Non-Executive and Independent Director

Mr. Ganesh N. Nayak

Non-Executive Director

Mr. Ashish P. Bhargava

Nominee Director

Mr. Tarun Arora

Chief Executive Officer & Whole Time Director

Mr. Umesh V. Parikh

Chief Financial Officer

Mr. Nandish P. Joshi

Company Secretary and Compliance Officer

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Mr. Mukesh M. Shah

Statutory Auditor

Mr. Hitesh D. Buch

Secretarial Auditor and Scrutinizer

and

Shareholders

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Welcome Address

Mr. Nandish P. Joshi – Company Secretary

Dear Shareholders, Good morning to all and welcome to the Thirtieth Annual General Meeting (“AGM”) of Zydus Wellness Limited. I am Nandish Joshi, Company Secretary and I will be assisting the Chairman in conducting this AGM, which is being conducted through Video Conferencing pursuant to the provisions of the Companies Act, 2013 and the circulars issued by MCA and SEBI.

As a reminder, for the smooth conduct of the AGM and to avoid background disturbance, members will be in mute mode and audio and video will be enabled only when they are invited to speak at the AGM as per the pre-registration. Any member facing any issue in joining the AGM virtually, may contact CDSL on the helpline numbers provided in the Notice of AGM. Please note that, as per the statutory requirements, the proceedings of this AGM is being recorded and will be made available on the website of the Company.

I now hand over the proceedings to Dr. Sharvil P. Patel, Chairman of the Company.

Dr. Sharvil P. Patel – Chairman

Good morning, ladies and gentlemen. On behalf of the Board of Directors, I welcome you all to the Thirtieth Annual General Meeting of Zydus Wellness Limited. I hope you are in good health. The requisite quorum being present, I call the meeting to order.

As allowed by the MCA and SEBI, the Company is conducting the AGM through the Video Conferencing. The virtual AGM provides opportunity to all shareholders to attend the AGM from different locations across the Country and from their homes or offices. The AGM is conducted from the Registered Office of the Company at Ahmedabad.

Let me introduce the Board members and the Key Managerial Personnel present with me. Ms. Dharmishtaben Raval, Independent Director & Chairperson of the Audit Committee, Mr. Akhil Monappa, Independent Director, Mr. Kulin Lalbhai, Independent Director & Chairperson of the Nomination and Remuneration Committee, Mr. Ganesh Nayak, Non-Executive Director and Chairperson of the Stakeholders’ Relationship Committee, Mr. Ashish Bhargava, Nominee Director, Mr. Tarun Arora, Chief Executive Officer and Whole Time Director, Mr. Umesh Parikh, Chief Financial Officer and Mr. Nandish Joshi, Company Secretary.

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We also take on record the presence of Mr. Mukesh Shah, Partner-Mukesh M. Shah & Co, Chartered Accountants, the Statutory Auditors and Mr. Hitesh Buch, Secretarial Auditor, in this AGM.

All of you must have received the copy of Annual Report of the Company for the financial year ended March 31, 2024, through email and physical copy was sent only to those shareholders who had requested for the same. This report includes details of your Company's financial performance, business strategy, operational updates, innovative efforts, ESG and governance practices. The report also contains the statutory reports which inter-alia includes the Notice of the AGM. With your permission, I take the notice of the AGM as read.

Before we start the official business of the AGM, I would like to talk to you briefly about the progress of the Company during the year gone by.

Financial year 2024 closed on a good note with a Quarter four showing signs of recovery in demand, particularly with the rural segment. This upturn, supported by effective on-ground execution and robust marketing campaigns, propelled the Company's revenue growth to nearly double digits for the quarter. Consequently, this positive performance had a ripple effect on the overall annual growth, which improved to 3.2%, resulting in a total revenue of Rs. 2,329 crores for the year.

The personal care segment performed exceptionally well, demonstrating strong double-digit growths.

Like the overall FMCG, food and nutrition segment witnessed subdued demand. Despite these challenges, most of our brands were at peak market share as compared to the last five years led by efforts to grow the category that we operate in. The Company continues to prioritize category penetrations through new consumer recruitments specifically in the category that we are the leaders.

We did face some external challenges that we have proactively addressed, the concerns were raised by the global regulatory bodies regarding the consumption of non-nutritive sweeteners. At the same time, the brand Sugarlite faced Trademark litigation resulting in stoppage of sales for few months. Additionally, unseasonal rains across India impacted the offtake of Glucon-D during the financial year.

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Though the Company faced growth challenges in the food and nutrition segment largely due to external factors, the Company has been able to navigate through these challenges successfully and leave them behind as we speak.

Amidst a stabilizing inflation landscape, calibrated price increases and effective hedging strategy led to a good recovery in our gross margins, reaching to 50.8% for the year, an improvement of 193 basis points from the previous year.

As the world witnesses shifts in consumer preferences and access methods including marked shift towards e-commerce and quick commerce, our focus remains on innovating new products and extensions. Increasing health consciousness drove demand for products with natural ingredients and sustainable prices. Our response was agile, adapting to these changes by innovating our product offerings and enhancing our digital presence.

With a strong R&D and a state-of-the-art R&D facility in Ahmedabad, we have a robust pipeline of new products ready for launch based on market requirements and consumer needs.

We ensure that all our products are well-researched and scientifically backed. During the financial year, we launched Glucon-D Activors Electrolyte Energy drink in a ready-to-drink format in select markets on a pilot basis to further expand our brand presence in the domestic market. Additionally, we launched Sugar Free D'Lite product extensions for the international market, including granola bars, instant coffee and hot chocolate premix, chocolate minis, butter cookies, and Complan Young Champs in Nigeria for the children aged 5 to 15 years.

In today's competitive market, identifying the most effective channels for reaching potential and existing customers is critical. We continue to drive growth for our iconic brands through reimagining narratives and new media approaches to achieve greater consumer connections. Our efforts have led to increased penetration of our key brands: Complan household penetration grew by 9.7%, Glucon-D by 10.4%, and Nycil by 24.7%, according to the Kantar World Panel Report as of MAT February 2024. This reflects our innovative marketing practices and on-ground execution capabilities.

The overall availability of our products has crossed 2.9 million stores, with an almost equal split between urban and rural distribution, reaching 50 million households.

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Our path as a responsible organization is defined by our unwavering dedication to the well-being of the planet, our people, and the communities we serve, upheld by a robust governance framework. We have signed a 25-year agreement to generate 2MW of solar power for our Aligarh plant, representing a monumental stride towards reducing our carbon footprint and promoting clean energy.

As we navigate the path forward, we continue to prioritize operational excellence, sustainability, and responsible business practices. We are confident that our strategies will pave way for further success and growth in the coming years.

By strengthening the long-term health of our iconic brands and extending our competitiveness in each segment, we aim to deliver differentiated products and enrich life moments. We are optimistic about realizing many more growth opportunities for Zydus Wellness and I look forward to continuing this journey with you, our shareholders.

The Thirtieth Annual General Meeting of the Company is being held and conveyed in accordance with the Notice of AGM dated May 14, 2024.

We now commence the business of the meeting.

Representations under section 113 of the Companies Act, 2013, for a total of 4,42,93,841 shares aggregating to 69.6% of the total share capital, have been received.

As there are no adverse qualifications, observations or comments in the Statutory Auditor's Report and the Secretarial Auditor's Report, the said Audit Reports are not required to be read at the meeting as provided in section 145 of the Companies Act, 2013.

I consider the Statutory Auditor's Report and the Secretarial Audit Report to be taken as read.

I would now request the Company Secretary to brief the members about the voting procedures and take you through the resolutions.

Mr. Nandish P. Joshi – Company Secretary

Thank you, Sir.

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I would like to inform that the Company has taken necessary steps, as per the circulars issued by MCA and SEBI to ensure maximum participation and to provide equal opportunity to the members in the voting.

Pursuant to the provisions of regulation 44 of the SEBI (LODR) Regulations, 2015, section 108 of the Companies Act, 2013 and Rules made thereunder, standard 7.2 and 8 of Secretarial Standard-2 on General Meetings issued by ICSI and MCA and SEBI Circulars for General Meetings, the Company has provided the facility to the members to cast their votes through remote e-voting and e-voting during the meeting. The detailed procedure and instructions for casting votes by the members through electronic means are prescribed in the Notice of AGM. The Company had fixed July 26, 2024 as the Cut-Off Date for deciding the names of the members entitled to cast their votes through remote e-voting as well as during the meeting. The Members holding shares as on July 26, 2024 shall only be allowed to exercise their votes in this Meeting. The remote e-voting period commenced at 9:00 a.m. on July 30, 2024 and closed at 5:00 p.m. on August 1, 2024. The Company has availed the e-voting platform of CDSL. The remote e-voting module was blocked and disabled at 5:00 p.m. on Thursday, August 1, 2024.

I request the members, who have already cast their votes through remote e-voting, not to cast their votes again through e-voting during the AGM. The e-voting facility is available throughout the AGM proceedings by the same login.

The icon for e-voting is available on the screen, which will re-direct you on a separate window to the e-voting portal of CDSL. The e-voting facility has been activated from 10.00 a.m. and will be closed 15 minutes post conclusion of the meeting.

The resolutions prescribed in the Notice of AGM, both ordinary and special business, shall be passed at this AGM through e-voting and the resolutions shall be declared passed after adding the votes cast by the members through remote e-voting and e-voting during the meeting.

Pursuant to the provisions of section 109 of the Companies Act, 2013, Mr. Hitesh Buch, Practicing Company Secretary has been appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner and submit his report to the Chairman. Mr. Hitesh Buch is also appointed as the Scrutinizer for remote e-voting.

As per the Notice of AGM, there are total 8 business to be transacted at this meeting – 4 Ordinary Business and 4 Special Business. The business to be transacted are as under:

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Ordinary Business:

1. Adoption of Standalone Audited Financial Statements of the Company for the year ended on March 31, 2024 and the Reports of the Board of Directors and the Auditors thereon;
2. Adoption of Consolidated Audited Financial Statements of the Company for the year ended on March 31, 2024 and the Report of the Auditors thereon;
3. Declaration of Dividend of ₹ 5/- per equity share for the Financial Year ended on March 31, 2024;
4. Re-appointment of Mr. Tarun Arora, as a Chief Executive Officer & Whole Time Director of the Company, liable to retire by rotation;

Special Business:

5. Re-appointment of Mr. Tarun Arora, as a Chief Executive Officer & Whole Time Director of the Company for a period of 5 years;
6. Continuation of Mr. Ashish Bhargava as a Nominee Director of the Company;
7. Approval of Commission payable to the Non-Executive Directors; and
8. Ratification of remuneration payable to Dalwadi & Associates, Cost Auditors.

Necessary details about the special business are provided in the explanatory statement accompanied to the Notice of AGM.

The Members who have exercised their voting rights through remote e-voting are once again requested not to cast their votes during this meeting.

Once the report of the Scrutinizer is received, the Chairman will declare the decision of the members on the business transacted by the members through e-voting during AGM, adding thereto the votes casted by the members through remote e-voting.

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The results of the voting together with the Consolidated Scrutinizer's Report will be placed on the website of the Company at the earliest but within the statutory time permitted under the Law.

The results of the voting will also be filed with the BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed. Members may visit their websites for referring to the results of the voting.

I now handover the proceedings to the Chairman.

Dr. Sharvil P. Patel – Chairman

Thank you, Nandish.

We also take on record the attendance of Mr. Srivishnu Nandyala, Independent Director and now I invite the Members who have pre-registered to pose their questions, if any. I request you all not to repeat the same questions as raised by fellow members. We would make every effort to answer all your queries, but if any questions remain unanswered, you may please send in your queries via email to the Company Secretary and we shall revert appropriately.

I will request Nandish to call out the names of the speaker shareholders and request to unmute the speaker shareholders and allow their video.

Mr. Nandish P. Joshi – Company Secretary

Thank you, Sir. The link to join the AGM was sent to the speaker shareholders on July 30, 2024, who had requested to pre-register before 7 days of AGM.

We will take the questions from all the speaker shareholders and then reply all the questions together.

We invite the first speaker shareholder Mr. Rajesh Chainani. I request the moderator to unmute Mr. Rajesh Chainani. So, as informed by the moderator, Mr. Rajesh Chainani has not joined the meeting. We will take up the next speaker shareholder Mr. Jaydip Bakshi. I request the moderator to unmute Mr. Jaydip Bakshi.

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CIN: L15201GJ1994PLC023490

Mr. Jaydip Bakshi

Yes, very good morning, Chairman, Board of Directors, CFO and others present in today's virtual meeting. Myself Jaydip Bakshi connecting from the city of Kolkata. Thanks to our Company Secretary Mr. Nandish Joshiji for giving me an opportunity to express my views and maintaining good investor service relations with the shareholders and presenting a detailed and descriptive annual report and also to the CDSL team for conducting this video conference in a smooth manner. Sir, your initial speech was very much informative. You described very well about our Company's past, present, and future prospects also. Sir, our performance was very good in comparison to the challenging period which we have passed and also to the considering the subdued demand from the rural area.

Sir, our Company provides healthcare and nutrition and cosmetics and wellness products. What is our future unlook under the rising inflation and geopolitical tension that is continuing and what risk factors do we foresee in our business? And Sir, kindly share the capacity utilization of our units. And I forgot to convey my thanks for the dividend you have passed on to us, Rs. 5/-.

Sir, what are the strategy for improving market share of nutrition drinks like the Complian? And kindly share the thoughts for the percentage generated from the online sales and because at present there is a shift of consumer approach to this online marketing period. And how much has been our support for this digital marketing and the market response for this new brand, I'm lite and ready to drink Glucon-D. How is it performing? And congrats once again for supporting women empowerment with 30% of total workforce, which we have. And how much have we been spending on media campaigning and branding as advertising and sales promotion has gone up? And what is our debt reduction policy? And have we settled our legal issues as expenses have jumped threefold nearly? And what is our dues to MSME, and another sector mentioned in page 212? Have they been settled? And working loans from bank, how are we planning to re-payment the terms? And what are the future cost control measures? Because this inflation is now pinching in every industry. Nothing to add more. I've supported all the resolution and wish the Company under your guidance and with the help of all stakeholders come out with much better results in the coming future and reward the shareholders handsomely. Thank you, Sir and continue with the VC in future so that we can get connected.

Dr. Sharvil P. Patel – Chairman

Thank you.

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Mr. Nandish P. Joshi – Company Secretary

We will now move on to the speaker shareholder number 3, Mr. Tejas Shah. I request the moderator to unmute Mr. Tejas Shah.

Mr. Tejas Shah

Am I audible, sir?

Dr. Sharvil P. Patel – Chairman

Yes

Mr. Tejas Shah

(translated from Gujarati to English)

Thank you.

Respected Chairman Shri Sharvilbhai and other members of the Board. Sir, I am thankful to the management for sending me the link in timely manner for joining AGM and providing me the opportunity to speak during the AGM. Sir, I had sent an email on July 25 for registration as a speaker shareholder as well as to provide hard copies of the Annual Report and Balance Sheets of subsidiaries. However, the said Annual Report and Balance sheets were delivered to me at night on July 30. Sir, such a delay is not appropriate for our Company and I request you to improve on this.

Sir, this year our performance is weak. In spite of having excellent product range, why such a performance? When can we see a considerable improvement in our performance. Are there any plans for acquisition? Please inform the road map of the Company for next 3 years.

Next Sir, we have one subsidiary Zydus Wellness Products Limited which is loss making, in which we have made an equity investment of ₹ 23,021 million, in preference shares we have invested ₹ 13,654 million and during the year we have granted loan of ₹ 2,635 million. I would like to know the reason for such a significant investment and loan to a loss making company. Secondly, to the same company, under the Head Property Plant and Equipment we have sold a property of

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₹ 11 million and under the same head we have purchased a property of ₹ 3 million. Sir, I am requesting you to provide the details of the property sold and purchased.

Sir, we have another subsidiary Zydus Wellness Bangladesh, in which in related party transaction it is mentioned that we have given a loan of 2 Crore Taka. Whereas, what is the reason in decrease / nil finance income which should have been increased. Whether this loan is interest free and provide details of the company to whom loan is given.

Next Sir, its my sincere request that we have 5 subsidiaries, all of which are loss making in which hefty amount of loan or investments should not be made and going forward it happens in many companies that due to bad debts / impairment loss is shown. So, it is my suggestion to keep in mind.

Next Sir, on page no. 163, we are incurring advertisement and sales promotions expenditure which is more than 100% of our net profits, even though we are not seeing substantial growth in the results. So, I request you that the spending in this regard should be reduced. Also, I request you to provide a detailed bifurcation with respect to the fees paid to various actors and actresses for the said advertisements and promotions.

Next Sir, I have observed that there is threefold increase in the legal and professional fees, so I request you to provide the reasons for increase.

All the best and thank you.

Dr. Sharvil P. Patel – Chairman

Thank You.

Nandish P. Joshi – Company Secretary

We will now move on to speaker shareholder number 4, Mr. Om Prakash Kejriwal. I request the moderator to unmute Mr. Om Prakash Kejriwal.

Om Prakash Kejriwal

Am I Audible Sir?

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CIN: L15201GJ1994PLC023490

Dr. Sharvil P. Patel – Chairman

Yes

Om Prakash Kejriwal

(few portion is translated from Hindi to English)

Thank you, Thank you Sir ji. Good morning, Sir ji and Good Morning everybody attending this AGM. Myself Om Prakash Kejriwal, your equity shareholder from Kolkata. Thank you, Sir ji, for providing me the platform to speak something before you. Thanks to our secretarial department for helping me in registration as a speaker shareholder, especially thanks to our secretary Mr. Joshi for calling me and taking my know how.

Sir ji, this is my second AGM only due to virtual. If possible, please follow this virtual AGM next year also so that more and more investors from different parts of the world could join our AGM and express their views. Sir ji, our India is growing but sorry to say Sir, our Company is not growing to such extent. In our standalone accounts our revenue has decreased marginally, but our EPS is just half, that is, Rs. 5.30 in comparison to previous year Rs. 10.44 on face value of Rs 10. In consolidated accounts, our revenue has increased marginally but our EPS is Rs. 44.18, a bit less in comparison to previous year Rs. 50.36.

Net profit margin has also decreased from 13.8% to 11.50%. What is the reason Sir ji for such type of weak performance? Though we have well-known and well established brands in our portfolio, like Complian, Sugarfree Glucon-D, Nutralite, Nycil etc. Is there any problem in marketing or in advertising? Because people forget the brands if there is no proper advertisements. Please share your views, Sir. Our face value is Rs. 10 and market value is around Rs. 2,300. Please split our shares in 10:1 ratio so that more and more investors could join our Company and more investors means more popular Company and it will act like a mini bonus for we, minority shareholders. And also, our peer FMCG companies like Hindustan Unilever, Dabur, Marico, Jyoti Labs, Britannia etc. are of face value of Rs. 1. So, in comparison it will be beneficial. So, please consider split I will not insist for bonus shares. Sir ji, in promoter holding, you are increasing your holding by purchasing from open market, it shows your confidence in our Company. Thank you.

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Sir I have few requests. Firstly, in few AGM's few investors speak in Gujarati, but please provide response to those queries either in English or Hindi so that investors like me can also capture what is being said, as I do not understand Gujarati.

Secondly, you are doing good CSR work in which 2% is required to be spent. I would suggest to provide drinking water in villages located nearby our factories. This will be very beneficial for the virtue and the welfare of the people residing in these villages.

Another, nowadays cancer patients have increased. You would have also noticed that after the onset of Covid-19, the number of cancer patients is increasing day by day, every family has one or two members who are suffering from cancer. Your sister concern is doing a good job in cancer division, by reducing the prices, but you should also do something that benefits those suffering from cancer and this would also result in better utilization of CSR funds. I had earlier also requested for arranging a factory visit. If possible, please organize a factory visit so that we can see our factory, how it is running. At last, Sirji please maintain your smile and be cheerful, we are always with you as a long investor. Thank you, Thank you Sir ji.

Dr. Sharvil P. Patel – Chairman

Thank you.

Mr. Nandish P. Joshi – Company Secretary

With this we conclude the list of the shareholders who have pre-registered with the Company as speakers. I handover the proceedings to the Chairman to respond.

Dr. Sharvil P. Patel – Chairman

Thank you to all the shareholders who pre-registered and gave their valuable comments for the performance of the Company and the future that they envisage. I will take up some of the broader issues that have been raised and also request Tarun Arora and Umesh Parikh to take on the specific comments and requests that have been made by the shareholders.

So, I think overall yes, with the global crisis and geopolitical crisis around, there are many risk factors that do affect organizations and for us also, it is important for us to take a note of that and see what we can do to mitigate some of the risks related to materials and ingredients that

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we look to import from outside. Also, with our presence in international markets also, it adds to an added factor of risk of supply and freight and dispatch of goods, and we are taking note of how do we become more efficient as we go forward.

In India, I think in the last year, we have faced two challenges which did not allow us to perform to our best. One is obviously the issues related to the inflationary prices up, prices that went up for all our key raw materials, which did create a dent on our margins, but as you can see through the last quarter, we have significantly improved our margins both by better sourcing, also cooling off the prices as well as also passing along some of the price increases that we could not avoid. And so, we are now in a much healthier space when it comes to our margins on gross margins, and we hope to continue to deliver better gross margins as we move forward.

There has been a change of some share which has moved from the physical marketplace to the online and e-commerce and quick commerce space, and we would be happy to say that our representation in this channel is appropriate for our brand and we are even doing much better. So as the markets do shift, behaviors or customers do shift with their preferences towards quick commerce. Zydus brands are very well established in this channel, and we continue to do significantly good in terms of both growth and market share when it comes to the online platforms. And we hope to continue to build on to that.

With respect to I'm Lite, yes, the introduction has gone well. We are scaling up the portfolio very fast and we hope we can reach our historical levels in the next couple of quarters to achieve what we were doing before. On the media spends, last two years, preceding years, obviously, because of Covid and many other reasons, our spends have been moderated because of the challenges that ever existed in the market and we have gradually improved our spends on brands in order for us to create new consumers and I already alluded to some of the facts of how we have increased the penetration in the households and how we have seen over the last 5 years our market shares for our leading categories remaining steady or better. So, I think that has a positive impact on the business. Also, with regards to some of the subsidiaries I think it's better view on consolidated business is important because many of the subsidiaries that we have set up internationally are of new business and ventures and they require some time before they become profitable. But I will let my team take specific questions to the Indian subsidiaries as well. We do see improved performance with the last quarter 4 seeing some improvement and with better seasons we continue to hope that the coming year we would see significantly better promotions of the brands and the performance for the organization.

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With respect to our activities on CSR and your suggestions on drinking water and portable water. Water is a significant aspect of part of our ESG plans and we will definitely speak a lot more about on how do we not only conserve water but also make drinking water available where is required. Beyond that, I would request some of the questions to be taken by Tarun and Umesh, please.

Mr. Tarun Arora - Chief Executive Officer

Good morning and thank you for attending this and posing these questions. I think Dr. Patel has covered most of the questions related to business. I will add couple of points which should address the questions. One, I think there was a question regarding the performance of the business in the last year and I would add two specific points. One of the factors that post Covid the inflation did impact, consumers' ability to buy and therefore the overall market was subdued, which was compounded last year specifically because of the poor seasonality which is relevant for some of our brands. The good way to look at it is also that our market shares were at almost a five year high with a reflect that from a competitive point of view we were well placed to do well from the market and as the situation got better, we have seen quarter 4 doing better.

There was another question which was specifically on the strategy of Complan. I think Complan is operating in nutritional beverages space. We have seen that this whole category had a relatively subdued numbers for a overall it's about a billion dollar category it has a subdued numbers, but having said that, there is an improved performance for the category and Complan is building up around that. Complan represents a strong nutritional positioning, and we are seeing a lot of consumers, the number of consumers who are buying Complan is going up which was represented by the increased penetration, that Dr. Sharvil Patel explained in his speech as well. So, as we move forward, we are looking at couple of more need spaces where we will be launching more products as well as strengthening our presence in the existing portfolio. So we believe that Complan is well placed for the future build up. Complan is also helping us expand our international footprint as well. So, in Africa, Middle East and some parts of South East Asia, it is expanding.

From a online and digital space, we were well placed and like Dr. Patel explained we are ahead of the market and the market shares are in line with the overall market share, so we are equally well placed. There was another question on RTD, on how it has performed our Glucon-D Activors. I think it's a pilot its early days and we will have to build it from a medium to long term. So, the early days milestones are in line with what we set out to do but we will have to wait for

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performance to be able to give full picture. There are some questions related to Finance which I would request Mr. Parikh to take.

Mr. Umesh V. Parikh - Chief Financial Officer

Thank you, Tarun Sir. So, I would address the question posed by Mr. Jaydip Bakshi and Mr. Tejas Shah. So, about the capacity utilization, I would like to bifurcate into two. One is the capacity utilization for the seasonal brand and another one is capacity utilization for the non-seasonal brand. So, for the capacity utilization for the seasonal brand is about 80% during the season time and then it depletes as the season vein and the capacity utilization for a non-seasonal brand ranges from 60 to 80%.

So, next question was on the advertisement, so as we proceed further, we grew our advertisement expenditure also. So, in 2023 year ended March 2023, it was 11.5% and in March ended 2024 it is 12.8%. As we grow further, we will also try to increase it further and will be trying to have it in the range of 13.5%-14%. On the debt reduction, so Mr. Bakshi what you are looking at is the gross debt. Our net debt as on March 2024 was only Rs. 8 Crore and about MSME, all the dues have been settled. So, subsequently because as on the balance sheet date there were certain dues, which are not settled, but they were related to quality issues or the bills that were not booked in time, not issued by the supplier. So, for those reasons, MSME dues were there in the balance sheet. There has been bank loans but on the net basis, as I say we are only having Rs. 8 Crore debt. About annual report, I have requested Nandish to make sure that physical copy reaches you in time. ZWPL losses what you look at is the losses on account of goodwill because as per the old accounting standard, the loss is to be amortized and we depreciate the goodwill and therefore you see the loss but at a consolidated level because of the elimination entries, the goodwill is not required to be depreciated and therefore at a consolidated level what you see is the profit, net profit and therefore that loss has no value other than being the notional. So, about the loans that is granted to the subsidiaries, so subsidiaries ZWPL is the main subsidiary of the entire group and it requires the working capital. So, it was granted for the working capital purpose and about the loan extended to Zydus Wellness Bangladesh, as you mentioned that it is related party loan, but it is not a related party loan. It is given to the third party which is third party manufacturers for some of our products in Bangladesh.

About the PPE sales, we sold one of the R&D facility at Rabale Mumbai, and therefore you could see some sales realization out of the plant and equipment and the land and building. On the legal

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and professional fees, because we were having certain legal cases due to brand litigation and also due to some GST litigations, we saw a legal cases going up, we have also booked a consultancy fees in the legal and professional head, and therefore there were some one time consultancy payments that was given to the strategy consultants, because of that we see hike in legal and professional expense. The EPS which you see 5.3 vs 10.44 was the standalone EPS. But when you look at the consolidated EPS, it is 44.18 vs 50.36 and regarding profit performance Dr. Sharvil Patel and Mr. Tarun already explained about it and about the CSR expenditure, until now we are not required to contribute because of the standalone losses, but now from this year onwards, we would be required to contribute, and we will be taking care of your suggestions. Thank you very much.

Mr. Nandish P. Joshi – Company Secretary

Thank you for providing the necessary replies to the queries raised by the members. I would now request the Chairman Dr. Sharvil Patel to proceed with the concluding remarks.

Dr. Sharvil P. Patel – Chairman

Those members who have still not cast their vote may do so through their CDSL e-voting facilities available in the same portal. The e-voting shall close in another 15 minutes. As informed in the beginning of the meeting, the combined voting results will be displayed on the website of the Company and communicated to the BSE Ltd. and the National Stock Exchange of India Ltd. Ladies and Gentlemen, I would like to place on record my appreciation and gratitude for the support and co-operation received from the employees, the authorities, regulators, bankers, customers and all other stakeholders. The Thirtieth Annual General meeting is now concluded. I thank you all for being with us today.

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