

August 3, 2021

Listing Department

BSE LIMITED

P J Towers, Dalal Street, Fort,
Mumbai-400 001

Code: 531335

Listing Department

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai-400 051

Code: ZYDUSWELL

Re: Transcript of 27th Annual General Meeting of the Company.

Dear Sir,

Please find enclosed herewith the transcript of 27th Annual General Meeting of the Company held on July 30, 2021.

Please bring the above information to the notice of investors at large.

Thanking you,

Yours faithfully,

For, **ZYDUS WELLNESS LIMITED**

DHANRAJ P. DAGAR
COMPANY SECRETARY

Encl: As above.



“27th Annual General Meeting”
July 30, 2021
10:00 A.M. IST to 10:45 A.M. IST

CORPORATE PARTICIPANTS:

Dr. Sharvil P. Patel

Chairman

Mr. Tarun G. Arora

Chief Executive Officer and Whole Time Director

Mr. Ganesh N. Nayak

Non-Executive Director

Ms. Dharmishtaben N. Raval

Non-Executive and Independent Director

Mr. Kulin S. Lalbhai

Non-Executive and Independent Director

Mr. Sri Vishnu Raju Nandyala

Non-Executive and Independent Director

Mr. Savyasachi S. Sengupta

Non-Executive and Independent Director

Mr. Ashish Bhargava

Nominee Director

Mr. Umesh V. Parikh

Chief Financial Officer

Mr. Dhanraj P. Dagar

Company Secretary

and Shareholders

Welcome Address

Dhanraj Dagar – Company Secretary

Dear Shareholders, Good morning and warm Welcome to you all to the twenty seventh Annual General Meeting of Zydus Wellness Limited, which is being through Video Conference or Other Audio Visual Means. As as a reminder for the smooth conduct of the AGM the members will be mute mode and audio and video will be enabled when they are invited to speak at the AGM as per the pre-registration.

Please note that as per the statutory requirements, the proceedings of the AGM will be recorded.

So the required Quorum is already present in the Meeting, so now I would hand over the proceeding to our chairman Dr. Sharvil Patel, to take the proceedings further.

Dr. Sharvil P. Patel - Chairman

Good morning ladies and gentleman. I welcome you all to the 27th Annual General Meeting of your Company. Requisite quorum being present, I call the meeting to order.

Before we start the formal proceedings of the AGM, I on behalf of the Company, the Board of Directors and Members would like to thank all the Covid-19 warriors, i.e. Doctors, medical staff, frontline officer, police authorities and others in providing their immense support in managing the situation and helping the Country in battling the pandemic.

Due to ongoing Covid-19 pandemic and to maintain social distancing norms, the Company is conducting the AGM through Video Conference / Other Audio Visual Means as allowed by Ministry of Corporate Affairs and SEBI. The virtual AGM provides opportunity to all the shareholders to attend the AGM from different locations across the Country and from their homes or offices. We hope that all of you are safe and in good health.

Let me introduce the board members present through Video Conference. Ms. Dharmishtaben Raval, Independent Director & Chairperson of Audit Committee participating from Ahmedabad, Mr. Kulin S. Lalbhai, Independent Director & Chairperson of Nomination and Remuneration Committee participating from Ahmedabad, Mr. Ganesh N. Nayak, Non-Executive Director and Chairperson of Stakeholders' / Investors' Relationship Committee participating from Ahmedabad, Mr. Sri Vishnu Raju Nandyala, Independent Director participating from Telangana, Mr. Savyasachi Sengupta, Independent Director participating from Baroda, Mr. Ashish Bhargava, Nominee Director participating from Mumbai, Mr. Tarun Arora, CEO and Whole Time Director participating from Ahmedabad, Mr. Umesh Parikh, Chief Financial

Officer participating from Ahmedabad and Mr. Dhanraj Dagar, Company Secretary participating from Ahmedabad.

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

In the midst of a global pandemic, that has costed millions of lives and unleashed a catastrophe, the past year has been among the most challenging in the recent times. Despite the uncertainties posed by the current situation, we continued to focus on our brands, enriched our consumer's experiences and enhanced the value for the organisation, as a result of which our Company has managed to achieve a satisfactory performance during the year and achieved a growth of 6.9% on the net sales and 5.7% on the Total Operating Income respectively over the previous financial year. The adjusted Net Profit (before exceptional items), was up by Rs. 2,509 million at a growth of 34.9% y-o-y.

During 2020-21, the Company took a strategic initiative to pare down the debt of the Company, as a result of which the Company has fully redeemed Non-convertible debentures of Rs.15,000 million. To support the repurchase of non-convertible debentures, the Company had raised approx. Rs. 10,000 million by way of QIP issue and preferential allotment and Rs.5,650 million of low cost debt bearing interest of 5.01% per annum.

Zydus Wellness is today one of the leading companies in the FMCG industry and we believe that the next wave of growth for the company has just begun. We are putting the strategies and capabilities in place to transform Zydus Wellness into a faster-growing, more profitable and an exciting company. We are creating and building brands that offer 'something more' that delights the consumers. That's how Zydus Wellness is creating an organisation that is not only different in the products that it offers but also in its vision and strategies for growth.

We at Zydus Wellness are committed to long term strategies which will continue to strengthen its position as one of the best-performing companies in the FMCG industry. Zydus Wellness' core strengths of delivering consumer expectations, leveraging innovation to introduce differentiated products and concepts and shoring up our go-to-market execution abilities will enhance our competitiveness. During the Year 2020-21, amidst the ongoing pandemic, the Company's marketing and R&D teams worked relentlessly on innovation which were more relevant to the current times and which could fit into the consumers' need of healthier products and launched 11 new products during the financial year.

With accelerated growth in our businesses, fueled by innovation and also combined with a continuous focus on cost, it will generate attractive and sustainable returns for our shareholders.

In the coming years, we will focus on creating value through our brands, building an international presence and also exploring every opportunity to grow in scale. We will strengthen our presence in the Middle East, Africa, South East Asia and the SAARC countries. Our productivity and growth will be driven by our ability to innovate, launch new brands that will create and transform categories and become value creators for the business.

Distribution and reach is at the heart of any consumer enterprise. We have been able to double our direct reach to 5 lakh outlets through project Vistaar. We will continue to work on this and look to step up our rural outreach drives. We believe that these investments in a more agile, flexible and faster distribution network will stand us in good stead in the coming years.

Our course for the years ahead is clear that is to strengthen our future competitiveness with a focus on our brands, innovation, building efficiency in our entire value chain and nurturing a talent pool that will take the organisation to newer heights of excellence and growth. I believe we are on course for realising many more possibilities for Zydus Wellness to grow. I look forward to continuing this journey with you, our shareholders.

The Twenty Seventh Annual General Meeting of the Company is being convened in accordance with the Notice of AGM dated May 10, 2021.

We will now commence the business of the meeting:

Representations under section 113 of the Companies Act, 2013, for a total of 4,12,41,342 shares aggregating to 64.81% of the total share capital, have been received.

In accordance with the MCA and SEBI circulars due to ongoing Covid-19 pandemic, the Notice of this AGM along with the Annual Report and corrigendum to the Notice of AGM of the Company have been emailed to all members and to all others who are entitled to receive the same and I propose that the Notice and corrigendum be taken as read.

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

I would now request the Company Secretary, Mr. Dhanraj Dagar to brief the members about the voting procedure and take you through the resolutions.

Mr. Dhanraj Dagar – Company Secretary

Thank you Sir.

Pursuant to regulation 44 of the Listing Regulations, and provisions of section 108 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided facilities to the members to cast their votes through remote e-voting. The detailed procedure and instructions for casting votes by the members through electronic means were prescribed in the Notice of AGM. The Company had fixed July 23, 2021 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 this meeting. The Members holding shares as on July 23, 2021 shall only be allowed to exercise their votes in this Meeting. The remote e-voting period commenced at 9:00 a.m. on Tuesday, July 27, 2021 and closed at 5:00 p.m. on Thursday, July 29, 2021. 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 July 29, 2021.

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 ID and Password.

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 since 10.00 a.m. and will be closed 15 minutes post conclusion of the AGM.

The resolutions prescribed in the Notice of AGM, both the ordinary businesses and the special businesses, 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 cast during the AGM.

Pursuant to 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 the meeting, there are total 6 businesses to be transacted at this meeting – three Ordinary Businesses and three Special Businesses. The businesses to be transacted are:

1. Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the year ended on March 31, 2021 and the Reports of the Board of Directors and the Auditors thereon;
2. Declaration of Final Dividend of Rs. 5/- per equity share for the financial year ended on March 31, 2021;
3. Re-appointment of Mr. Tarun G. Arora, as a Chief Executive Officer & Whole Time Director, liable to retire by rotation;
4. Re-appointment of Mr. Kulin S. Lalbhai as an Independent Director of the Company for the second term of five consecutive years;
5. Ratification of remuneration of Cost Auditors; and
6. Payment of remuneration to Non-Executive Directors.

Necessary details about the resolution 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. If any such member exercises his voting right through e-voting during this meeting, then his e-voting will not be considered for counting the number of votes as his votes are already considered in remote e-voting.

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

The results of the voting together with Consolidated Scrutinizer's Report will be placed on the Company's website www.zyduswellness.com 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 the website of the Company or the website of Bombay Stock Exchange at www.bseindia.com or the website of the National Stock Exchange at www.nseindia.com.

I now handover the proceedings to Chairman Dr. Sharvil Patel.

Dr. Sharvil P. Patel – Chairman

Thank you Dhanraj.

I now 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 efforts to answer all your queries, but if any questions remains unanswered, you may please send in your queries via email to the Company Secretary and we shall revert appropriately.

I would now request Dhanraj to call out the names of the speaker shareholders and would request to unmute the speaker and allow their video.

Dhanraj Dagar – Company Secretary

Thank you Sir.

Now I request moderator to unmute Ms. Celestine Elizabeth Mascarenhas,

As she is not present in the meeting now I request moderator to unmute our next speaker Mr. Jaydip Bakshi.

Mr. Jaydip Bakshi – Shareholder:

Good Morning Chairman, Board of Directors, my self Jaydip Bakshi connecting from the city of Kolkata.

Thanks to our Company Secretary Mr. Dhanraj Ji, for giving me an opportunity to express my views and also for sending this email and interactions with me regarding this AGM and also to the support team for performing this video conferencing in the smooth manner. Sir your presentation was good, I think a video presentation will add more value to our Company. Out Annual Report is a descriptive one and also pictorial and highlighting as a leader in the FMCG Sector.

Sir, what is the capacity utilization of the manufacturing unit at present, so we have a wide product base in healthcare and wellness range, and the current scenario, the entire globe is passing and with work from home, our product will definitely find a strong footage to boost out wellbeing, sir what is the market feedback on the new products launched? Sir, in page no. 5 there is mentioned 9 products and again in page no. 11 it is mentioned 11 products so which one is correct. Sir growth up 5.7% over last year, it is only possible because of the dedicated teamwork by all concerned, in this difficult times we have come out with this positive result. Sir, we are having 1700 distributors and also state representatives, how much we have been affected because of these restrictions which has been taking out throughout the Country. Sir, what are our plan for spreading footprint in the globe? Sir, what is the feedback of Nigeria and Taiwan

where we have met presence in this last year. Sir, our R&D efforts has always been great and I am venturing new areas and expenditure innovative for us and better quality products. Sir, what is our future plans for R&D expenditures? Sir, the new product launch to energize our life and new acquisition and merger plans. Sir, What is the feedback on the products, which have launch in this year only and also for the Vitamin C Zinc product which is a boost immunity and which is a surely a need of the hour now because of this covid spending is going on zinc product is a highly an essential one ? What is the latest data on the online purchase in more than form because more purchase is coming up from the top tier two cities now because there are more banking on this E Commerce platform? Sir, the economic scenario of the nation is not bright and weak consumer sentiment, send any negative impact on the demand? So I would suggest why can't we go for small sachet packet? Which can also penetrate the more interior markets also, congrats to the awards and maintaining number one position brands a book on the nycil and everyuth. Sir what are the steps we are taking for the plastic and environment and health upliftment of products? Sir any plans for review of business model or future competition which may face from our nearby customers or companies? So suggest to support our syndicate independence by featuring it on our product cover because it is coming out after two years? Sir what is our future expenditure and cost control plans to increase our margins? Sir, I have last suggestion why don't you introduce the mobile hand where our products can reach to places where people can afford to buy also? Sir, I have full faith in our management and entire workforce and will take our company to new world of wellness with more value added and create sharper values.

Thank you Sir.

And I think this video conference will help us to connect because this is the first time connecting from Calcutta, Thank you sir and all stay safe. Namaskar.

Mr. Dhanraj Dagar – Company Secretary

Thank you sir, for your questions, and we will answer your questions first we will take questions from all the shareholder speakers because there is no duplication of questions.

So now I request the moderator to unmute Mr. Manjit Singh.

Mr. Manjit Sigh – Shareholder:

Good Morning to Chairman sir, all the Directors, all the shareholders and all the employees of the Company where ever they are working and I pray for the wellbeing of the everyone in this tough time. Our products are the identity of our Company, they are not hidden form anywhere. They have given business to everyone in the market. The Products of the company are available everywhere, whether it is chemist shop, dairy store, general store or kirana, and have given opportunity to all to grow their business.

Chairman sir has spoken about the Covid and our company is manufacturing health product, so can you please tell us about R&D and immunity power related products that are available in the market like Chawanprash, so whether company is planning to make any such product as there is a demand for such products in the Market. Also whether Company is proposing launch any new milk made product like butter.

Whether Company can utilize reserves to increase the promoter holding, by way of buyback of shares to increase the promoter holding and also would like to draw the attention of Chairman sir for splitting the shares of the Company to increase the shareholders wealth. Further, I request the for a plant visit for shareholders. As the population of country is close to 140 crores so I request the Company if they can quarter to quarter can set up their product gallery by taking the land on rent where the population is more than two crores this will help to introduction of our products in the market, so I request you to please think on this matter. You have given nice presentation, usually FMCG Companies gives pictorial presentation along with the videos and their products if possible Company can do such presentation will increase the visibility of the products of the Company.

In secretarial department, we must appreciate and thankful to Mr. Dhanraj Dagar for giving this opportunity and to remain in constant touch with us and always support all the regulations of the Company.

Further, sir I request you like you are acquiring other companies and we have now enough products in FMCG so I would like to say that there is one of the Mumbai based Company named Jyothy Laboratories the kind of products they have, and as they are not in a position to run their business, and you are from Gujarat and your king of business so I request you to please consider the products they have as we do not have such products so request if you can think of acquiring jyothy Laboratories in coming board meetings.

Thank you for giving this opportunity and apologies for any inconvenience cause.

Mr. Dhanraj Dagar – Company Secretary:

Thank you sir for your questions and kind words, your all the questions will be answered after taking questions from all the shareholders, I request you to please stay in the meeting.

So now I request the moderator to unmute Mr. Piyush Purohit.

Mr. Purohit is not present in the meeting as of now.

So we now have no more speakers in the meeting so I would request our CEO or Chairman sir to take up the questions.

Dr. Sharvil P. Patel – Chairman

Thank you Dhanraj and thank you to all the shareholders Mr. Bakshi and also Mr. Singh for the questions that they have put forward and I understand some of the members could not join. We will try and answer some of the questions as much as possible and also I think that Tarun and Umesh will also take over for the questions that they can talk about.

So first and foremost I think the suggestions on the product offerings and video or presentation, we will take into consideration and see that we can present something in the future in terms of our offerings. Some of the questions related to capacity utilizations so today, we are on average capacity utilization we are about 50 to 60% in majority of our plants except for when we have peak capacities or peak seasonal capacity it is at around 90% and in some time 80 to 85%. With respect to the new products that we have launched, we have launched 11 new products and some of them are very successful which were related to Covid effects and some have taken longer to scale up because of the distribution drive that could not be enhanced and the store closures that happen but by enlarge our aspiration to build a good new product portfolio is going on well and in the last 36 months new products have contributed almost 5% of our total revenue and that we hope we can continue to build upon.

With respect to the movement and restrictions due to Covid it obviously has taught us a lot of things, in terms of how do we conduct the business so whether it was a facilities or whether it was a distributor or CFAs, the team has done an exceptional job working with the regulator working with the local body to make sure that we could keep our depots open, we could get our stocks to the distributors and then finally to the secondary market, and I think the support of every one including the logistics partners and everybody has been very good including the retail. So I think that's been positive for the Company and we have been able to manage this during this lock down.

With respect to our international business, we have an aspiration to make to our international business very large part of our overall footprint. We have seen this year growth of more than 200% so we have started off well we have entered markets like Nigeria and Taiwan during the last year and some of the brands like Complian and Sugar Free are doing extremely well in many of this international market Complian has an established present in Nigeria and also we are seeing now very good attraction with the in the secondary sales whereas in Taiwan we have just launched Complian during the year. So today our international business account for about 3% of our total revenue but going forward with the products and the offerings that we have and the participating in more market we believe that the international business will become important and sizable R&D is a critical part of the activities that we do both in terms of giving more value added portfolio to the consumers and now with our presence in more than 25 countries that

we are planning to make sure that we extend are indicated across all the efforts that we are making on innovation and launched new products in the current portfolio that we have.

We already launched the whole range of 'nutralite' and 'Dhoodhshakti', 'butter' and many other products and as you said we are going to be launching far more milk based products going forward which we just launched the probiotic butter and going forward we will see far more launches coming from us. On the mergers and acquisitions, we always look at opportunities that fit, our vision and fit our plan in terms of what we want to do and if any agencies that we find we will evaluate and continue to evaluate those opportunities. On the e-commerce and others, the new alternate channels have been a great benefit to the Company and we have seen a great bright spot which can remain comes to the e-commerce channel for us and which has grown by more than 250% and almost accounts for 3.6% of our Indian revenue, so far it's been a good drive on the e-commerce side and we hope to build on it with the pandemic around and many of the low price skilled be important and we have at a important aspects of launching sachets, most of our brands do have sachets when we talk about 'Ever youth', 'Nutralite', 'Sugarfree' or you speak about Complan where we have launched multiple new sachets of 18 gms. And 75 gms. So we continue to build on the sachets side of business for more users and creating new users for our products and that we will continue to track thrust our efforts on and with respect to some of the question related to promoter holding today our promoter holding including the family holding is about 64.82% which is mostly higher than most of the FMCG peer group companies but we will always look at that and continue to make sure that our promoters and company holding stays above this level.

In terms of launches of new calorie or low calorie products and low calorie sweetness, we continue to do so our last launch was stevia product which was 'sugar free green' which is a natural substitute to sugar and we continue to build on that franchise and we look at more opportunities to launch low calories sweetness and those adjacent as well.

I think may be some of the question I have answered more questions may be Tarun and Umesh, you can take up if, I missed any.

Mr. Umesh Parikh – Chief Financial Officer

So on your query regarding the difference in the products that we have new launches on page no. 11 that is 11 and 9 products so this 9 products are for current calendar year 2020 and 11 products are for 2021 so both of them are correct. I would request now to Tarun Sir to discuss about the sachets plan and also dairy products feedback.

Mr. Tarun Arora – CEO and Whole-time Director

So there were a couple of question one was immunity products and the member had specifically referred to some examples, we have in the last one and half year since pandemic been fairly focused on be able to provide products suitable for the emerging consumer needs and immunities certainly is one of them, we have launched 'Glucon D' extension with a tablets called immunovolt which offers Vitamin 'C', 'D' and 'Zinc' as petrification for rapid immunity for a better immunity even the Nutralite Doodhshakti, butter spread is with pro biotic which is clinically proven to offer immunity so we are evaluating immunity products across our portfolio wherever relevant even Complan with its ingredient does offer immunity so we are conscious about the facts that today consumers are seeking immunity as a benefit and across our portfolio we are offering that.

The next question which was address by Dr. Sharvil as well additional dairy products we have already launched the 'butter spread' we will be evaluating other dairy products as we go on. This is early days but since we have dedicated daily at Aligarh we will be evaluating and your inputs are well taken. Suggestions around opening a gallery of our products, I think we are, we take that on board and our endeavor is to make our products accessible to larger set of consumers whether it will be through opening of galleries or better merchandising in the existing stores so we did evaluate these as we go forward. There was also suggestion that we could use mobile phones for a better reach across different consumer segments, we are exploring some of these options and a digital is clearly one of the significant endeavor so we will explore that and the last bit which I think ask was on future expenditure and cost control, I think over the last couple of year since the integration of the acquired business our business has focused a lot on the expenditure and cost control and therefore we will be able to deal with the challenges of pandemic when the business came under pressure and we will continue to be guided by a little sharp focus on managing our cost better to be relevant for the future growth of the shareholders.

I think that should cover most of the questions.

Thank you.

Mr. Dhanraj Dagar – Company Secretary

Thank you for providing necessary replies to the queries raised by the members of the Company. I would now request Chairman sir to proceed with the concluding remarks for the meeting.

Dr. Sharvil Patel – Chairman

So thank you for all the questions of the members and those members who have still not cast their votes may do so through the CDSL e-voting facility available in the same portal. The e-voting shall close in another 15 minutes.

Ladies and Gentleman, the Twenty Seventh Annual General Meeting is now concluded. I thank you all for being with us today. As informed in the beginning of the meeting, the combined voting results will be displayed on the Company's website and communicated to BSE Limited and the National Stock Exchange of India Limited. Please continue practicing social distancing and stay safe.

Thank you.

Mr. Dhanraj Dagar – Company Secretary

Thank you, sir we now conclude the meeting of the Company and thank you so much to all the shareholders and the stakeholders of the company. Thank you.

* * * *