



July 10, 2024

Listing Department

**Code: 531 335**

**BSE LIMITED**

P. J. Towers, Dalal Street, Fort,  
**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.: Annual General Meeting (“AGM”) and Annual Report 2023-2024**

Dear Sir / Madam,

Pursuant to regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **Listing Regulations**”), we are submitting herewith the Annual Report for the Financial Year 2023-2024 of the Company along with the Notice of Thirtieth AGM, which has been sent to the members of the Company through electronic means as per the circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Details of AGM	<b>Day:</b> Friday <b>Date:</b> August 2, 2024 <b>Time:</b> 10:00 a.m. (IST) <b>Through Video Conferencing / Other Audio Visual Means</b>
2.	Cut-off date to determine list of members entitled to receive Notice of AGM and Annual Report	Friday, July 5, 2024
3.	Cut-off date to determine list of members entitled to receive Dividend for FY 2023-2024	Friday, July 19, 2024
4.	Dividend Payment Date	On or after Wednesday, August 7, 2024

**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](http://www.zyduswellness.com)

**CIN:** L15201GJ1994PLC023490

5.	Cut-off date to determine list of members entitled to vote on the resolutions through remote e-voting and e-voting during AGM	Friday, July 26, 2024
6.	Remote e-voting start time, day and date	9:00 a.m. (IST), Tuesday, July 30, 2024
7.	Remote e-voting end time, day and date	5:00 p.m. (IST), Thursday, August 1, 2024
8.	E-voting website of CDSL	<a href="http://www.cdslindia.com">www.cdslindia.com</a>
9.	Notice of AGM and Annual Report 2023-2024	<a href="https://www.zyduswellness.com/investor/Annual-Report-FY-2023-24.pdf">https://www.zyduswellness.com/investor/Annual-Report-FY-2023-24.pdf</a>

Please receive the same in order.

Thanking you,

Yours faithfully,

For, **ZYDUS WELLNESS LIMITED**

**NANDISH P. JOSHI**  
**COMPANY SECRETARY**

**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.

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## Nurturing Wellness

## VISION

We bring wellness to your life. We will create new experiences with our products that will nourish, nurture and energize your life.

We shall lead the way through innovation.

## OUR DNA

To build new emergent categories with differentiated product propositions. Philosophy of building products that are good for you.



# CORPORATE INFORMATION

## Board of Directors

**Dr. Sharvil P. Patel**  
Chairman

**Savyasachi S. Sengupta**  
Independent Director  
(upto November 1, 2023)

**Dharmishtaben N. Raval**  
Independent Woman Director

**Srivishnu R. Nandyala**  
Independent Director

**Akhil A. Monappa**  
Independent Director  
(w.e.f. May 17, 2023)

**Kulin S. Lalbhai**  
Independent Director

**Ganesh N. Nayak**  
Non-Executive Director

**Ashish P. Bhargava**  
Nominee Director

**Tarun Arora**  
Chief Executive Officer &  
Whole-Time Director

## Key Managerial Personnel

(Other than Directors)

**Umesh V. Parikh**  
Chief Financial Officer

**Nandish P. Joshi**  
Company Secretary

## Bankers

**Bank of Baroda**  
Ashram Road Branch,  
Ahmedabad

**HDFC Bank Limited**  
Navrangpura Branch,  
Ahmedabad

**ICICI Bank Limited**  
JMC House Branch,  
Ahmedabad

**HSBC Bank**  
M.G. Road Branch,  
Mumbai

**CITI Bank**  
Fort Branch,  
Mumbai

## Statutory Auditors

**Mukesh M. Shah & Co.**  
Chartered Accountants

## Cost Auditors

**Dalwadi & Associates**  
Cost Accountants

## Secretarial Auditors

**Hitesh Buch & Associates**  
Practicing Company Secretaries

## Internal Auditors

**Ernst & Young LLP**

## Registered Office

Zybus Corporate Park,  
Scheme No. 63, Survey No. 536,  
Khoraj (Gandhinagar),  
Nr. Vaishnodevi Circle,  
Sarkhej-Gandhinagar Highway,  
Ahmedabad - 382481

## Registrar & Share Transfer Agent

**Link Intime India Private Ltd.**  
506-508,  
Amarnath Business Centre – I,  
Beside Gala Business Centre,  
Off C. G. Road, Ellisbridge,  
Ahmedabad - 380006

## Manufacturing Facilities

**Ahmedabad:** 7A, 7B & 8, Saket Industrial Estate, Sarkhej Bavla Road, Ahmedabad, Village: Moraiya, Taluka: Sanand, District: Ahmedabad

**Aligarh:** PO Box No. 01, Chherat, Manzurgarhi, Aligarh, Uttar Pradesh

**Sikkim (Unit I):** Plot No. 26, 27, 36 & 37 Near Mamring Power House, Mamring Block Namthang Elakha, Namchi, South Sikkim

**Sikkim (Unit II):** Plot No. 28P, 30P, 36P Near Mamring Power House, Mamring Block Namthang Elakha, Namchi, South Sikkim

## R&D Centre

Plot No. 115/5, TP Scheme No. 51, Off. Ambli Bopal Road, Makarba, Ahmedabad

## CIN

L15201GJ1994PLC023490

# CONTENTS

## Corporate Overview

Corporate Snapshot	03
Highlights 2023-24	06
Chairman's Message	08
Flagship Brands	12
International Business	18
Awards and Recognitions	19
ESG Highlights	20
Management Discussion and Analysis	22

## Statutory Reports

Directors' Report	33
Corporate Governance Report	52
Business Responsibility and Sustainability Report (BRSR)	80

## Financial Statements

Standalone Financial Statements	121
Consolidated Financial Statements	175
Form AOC-1	230

## Notice of AGM

### Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and make informed investment decisions.

We periodically make this report and other written and oral statements contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates,' 'estimates,' 'expects,' 'projects,' 'intends,' 'plans,' 'believes,' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have made prudent assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether due to new information, future events, or otherwise.

## Business

Zydus Wellness combines the best healthcare, nutrition and cosmeceutical products to provide quality wellness products. Zydus Wellness helps people pursue integrated well-being through its widening range of products.








The Company is developing, producing, marketing and distributing differentiated health and wellness products.

## Product Portfolio

Zydus Wellness has a wide range of health and wellness products. The Company's product portfolio includes popular brands with functional benefits like Glucon-D, Complan, Sugar Free, Nycil, Everyuth and Nutralite.



## Brand Portfolio for FY 2023-24

Category	Mkt. Rank	Mkt. Share
 Glucose Powder	1	59.5%
 Sugar Substitute	1	95.9%
 Blended Sugar	NA	NA
 Nutrition drink	5	4.3%
 Prickly Heat Powder	1	35.0%
 *Facial Cleansing	5	6.5%
Scrub	1	45.6%
Peel-Off	1	80.2%
 Fat Spread	1#	NA
Dairy	NA	NA

Market share source: MAT March 2024 report as per Nielsen and IQVIA.

\*Everyuth market rank 5 is at Total Facial cleansing segment which includes Face wash, Scrub, Peel-Off, Face masks

# Market rank as per Company estimate.

## Presence

Headquartered in Ahmedabad, Zydus Wellness enjoys a pan-India marketing presence through a distribution network comprising.

**1700+**  
distributors



**~2500**  
feet-on-street  
representatives



The Company's distribution competence has been facilitated by investment in **24 integrated warehouses** that could serve both its cold chain and ambient range of brands.

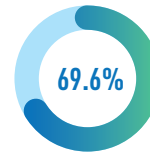
## Listing

The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.

## Compliance

The Company's manufacturing plants were accredited with FSSC 22000, ISO 14001:2015 and ISO 45001:2018, GMP certification as applicable, validating process, quality consistency and Food Safety.

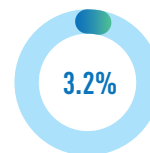
## Shareholding Pattern and Market Capitalisation as on March 31, 2024



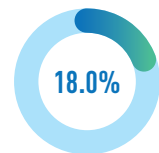
Promoter and Promoter  
Group Holding



Institutional  
Holding



FII  
Holding



Other  
Holding

**₹ 93,596.5**

Market Capitalisation  
(₹ in millions)

## Scale

Zydus Wellness manufactures an innovative range of health and wellness products across

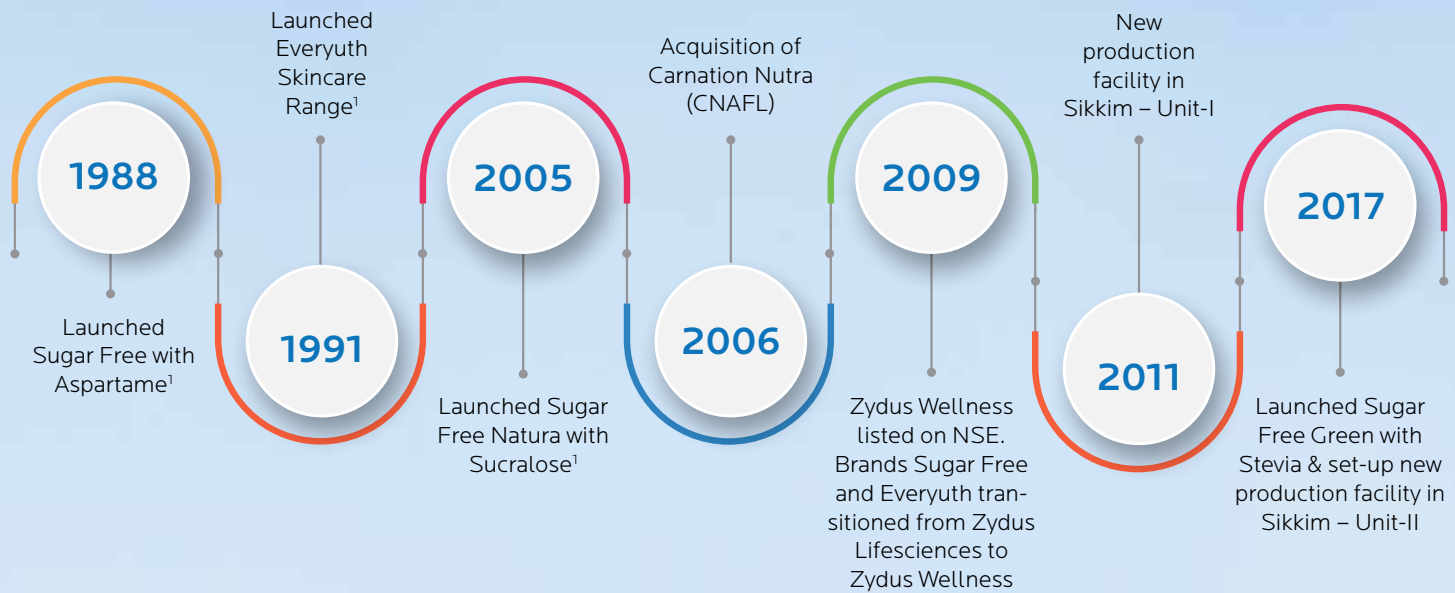


**4**  
Manufacturing  
Facilities

**1**  
in Gujarat &  
Uttar Pradesh

**2**  
in Sikkim

# KEY MILESTONES IN OUR JOURNEY



**Source:** Company information

Note-1: Milestones that happened before Sugar Free and Everyuth hived off from Zydus Lifesciences to Zydus Wellness







# OUR PERFORMANCE OVER THE YEARS

Revenues

## PERFORMANCE, FY 2023-24

During Financial Year 2023-24, the Company reported total revenue from operations at ₹ 23,278 millions (+3.2%Y-O-Y). During the year, the FMCG sector witnessed demand pressure for both urban and rural. Rural demand growth lagged behind urban demand growth during major part of the financial year, mainly due to erratic monsoon across various parts of the country and low growth in agriculture sector. The rural consumption growth gradually picked up and surpassed urban in quarter 4 of financial year 2023-24.

For the Company, the personal care segment which is represented by Everyuth and Nycil brand witnessed a very strong double-digit growth for the financial year, while the food and nutrition segment reported a flattish growth. As the country witnessed stabilization of inflation across commodities during the financial year, the Company also saw a gradual reduction of rates for its key input materials like milk and refined palm oil. With calibrated price increases taken earlier across portfolio and efficient hedging strategy for key inputs, the Company has registered a good recovery of gross margin consistently over the last three quarters of the financial year over previous year comparable periods. As a result the Company has reported improvement in gross margin on net sales of 50.8 % during the financial year, which is an increase of 193 basis points on a Y-O-Y basis. The Company continued to be the leader in five out of the six categories it operates in and continues to strengthen the competitive positioning and market share across brands.

EBIDTA de-grew by

**8.6%** Y-O-Y to  
**₹ 3,082**  
Millions

Reported Net profit was down by

**14.0%** Y-O-Y at  
**₹ 2,669** Millions

Adjusting for exceptional items the Net profit was down by

**12.3%** Y-O-Y at  
**₹ 2,811** Millions

## FINANCIAL STRENGTH

**[18.0]**

Revenue from Operations Growth (%) [15-year CAGR]

**[14.8]**

EBITDA Growth (%) [15-year CAGR]

**[17.5]**

Net Profit Growth (%) [15-year CAGR]

## BRAND PERFORMANCE



with a market share of **59.5%** in the Glucose Powder category



with a market share of **95.9%** in the sugar substitute category



with a market share of **4.3%** in the Nutrition Drink category



with a market share of **35.0%** in the prickly heat powder category



Everyuth Peel-Off has maintained its number one position

with a market share of **80.2%** in the Peel-Off category which is an increase of 174 basis points over the same period last year

Everyuth Scrub continues to maintain its leadership position with a market share of

**45.6%** in the Facial Scrub category, which is an increase of 369 basis points over the same period last year

Everyuth brand is at number 5 position with a market share of **6.5%** at overall Facial Cleansing segment level

As per the MAT March'24 report of Nielsen and IQVIA

## BUSINESS MODEL

At Zydus Wellness, we have continuously reviewed, adapted and reinforced our business model. This proactive responsiveness in a rapidly evolving market environment has translated into attractive growth across market cycles.



Dr. Sharvil P. Patel | Chairman



**As a leading wellness Company, our aim is to support people in their quest for good health and well-being. In pursuit of this, our researchers are bringing new ideas and concepts to enable access to products which can make a difference in the consumers' lives.**



Dear Shareholders,

### **NURTURANCE – THE WELLNESS WAY**

#### **The year that was: Continuing with our mission to Nurture Wellness**

The year gone by was a test of our resilience, with the entire sector grappling with rising inflationary trends. Despite subdued demand, especially in the rural markets, and lower festive spending, we stood strong. The year witnessed a perceptible consumer shift towards online and modern trade, and as a result of this, the general trade channels faced disruption as they looked at newer avenues of sales. The subdued rural demand in general trade also led to an increased cost to serve.

Despite these headwinds, the positive note was the increase in the demographics of young consumers with rising disposable incomes. We live in times where there is a lot of anxiety about health. In this context, we would like to support consumers with health—and wellness-centric choices. Today's health-conscious consumers are making informed choices based on the current global wellness trends and are driving demand for differentiated solutions. Zydus Wellness is well-placed to cater to these demands in line with its mission of nurturing wellness with its portfolio of Good-for-You products.

#### **Making headway: Nurturing brand excellence**

Zydus Wellness takes pride in the continued success and growth of its iconic brands, which have been trendsetters and leaders in their respective categories. The Sugar Free brand, for instance, maintained its leadership in the sugar substitute category, a testament to our commitment to quality and innovation. We also celebrated the launch of a new brand, l'mlite, a unique formulation of sugar blended with stevia to offer consumers 50% fewer calories than regular sugar. Sugar Free Green, our natural stevia-based sweetener, capitalized on the environmental concerns surrounding artificial sweeteners and posted significant sequential growth, further bolstering our brand portfolio.

Glucon-D continues to maintain its number one position. During the current year, we entered the ready-to-drink beverage category with the launch of Glucon-D Activors Electrolyte Energy drink in some key states and have received an encouraging response.

In the personal care segment, Nycil, Everyuth scrub and Everyuth peel off are continuing to perform well. Nycil continues to lead the prickly heat powder category. Everyuth Scrub has maintained its number one position in the facial scrub category. Everyuth Peel off has held on to its number one position in the Peel off category. Everyuth is amongst the top 5 brands in the facial cleansing segment.

In the health foods drink category, there has been an increasing demand for smaller packs. Based on consumers' preferences, Complian is now available in a 700 gm pouch.

Our products are available across 3 millions outlets today and have become part of 50 millions households. From bustling cityscapes to rural countryside to offshore outlets, Zydus Wellness products have won the trust of people in over 25 countries.

### **MARKET RANK**



\*In Scrub and Peel-Off category of Total facial cleansing segment

\*In Fat spread category



### **Opening up new paths: Nurturing innovation and customer centricity**

As a leading wellness Company, our aim is to support people in their quest for good health and well-being. In pursuit of this, our researchers are bringing new ideas and concepts to enable access to products which can make a difference in the consumers' lives. As we continue to focus on innovation, we will look at new concepts and approaches to offer consumers multiple choices and new experiences. After tasting great success in the global market, we will be introducing Sugar Free D'Lite range of chocolates in the Indian market. We will also launch an exciting line of guilt-free indulgence foods catering to evolving consumer preferences, which promises to be a game-changer.

### **Shaping a bold enterprise: Nurturing talent**

As a Company, we continue to create an environment which encourages creativity and imagination. We provide equal opportunities for individuals of different genders, backgrounds, capabilities and perspectives to come and nurture their careers at Zydus Wellness. We are powered by a dedicated workforce of 1,000 strong employees and are supported by 4,000 off-roll employees and nearly 30,000 farmers through its partner ecosystem. Championing D&I, currently, 14.3% of senior management/leadership positions are held by women. Women in the age group of 25-30 years comprise almost 30.0% of the workforce at Sikkim and around 20.0% at Ahmedabad. It's a young team full of youthful energy that gives life to bold ideas and powers their execution to achieve the larger vision and purpose of the organisation.

### **Way Forward**

We see encouraging signs of industry recovery, with inflation stabilising and margins poised for improvement. Green shoots of demand pick-up have been observed, further fuelling our confidence. We're not just waiting for the tide to turn; we're actively driving growth by exploring the launch of product concepts both in India and globally. Being passionate about making a difference in the lives of the people, we would like to create more choices for the consumers. Leveraging the growing power of online media to stay ahead of the curve, we will be focusing on digital marketing. As we pursue our goals as a responsible Company, our constant endeavour is to minimise environmental impact, reduce waste and create reusable and recyclable options. We will also engage with the farmers in the food chain, nurturing communities in our eco-system.

I'd like to thank our shareholders for trusting us. We are confident of sustaining profitable growth across the medium term, enhancing value for our stakeholders. I'm also thankful to our consumers, who have made us a part of their everyday lives. We will continue to bring you new reasons to cheer. Most importantly, our young team at Zydus Wellness is creating exciting possibilities for the future.

**Dr. Sharvil P. Patel**  
**Chairman**





# FLAGSHIP BRANDS



Category-leading brand  
more than **99%**  
**product recall.**

Glucose-based  
beverage positioned  
as an effective  
energy booster.

Variants comprise  
Regular, Tangy orange,  
Mango blast and  
Nimbu Pani.



## Highlights, FY 2023-24

Resilient performance amidst demand pressure.

Supported with new campaign launched for drive relevance, 'Thakaan Gone, Energy On'.

Maintained leadership position in the Glucose powder category with a market share of **59.5%** as per MAT March 2024 report of Nielsen. The Glucose powder category has grown by **4.0%** at MAT level.

Launched Glucon-D Activors Electrolyte Energy drink, a ready to drink format for on the go consumption.







Positioned as 'India's largest selling low calorie sweetener'.

Household name; India's first sugar substitute.

Undisputed category leadership.

Respected as nutritious and safe (the sweetness of sugar with low calories).



#### Brand extensions

**Sugar Free Gold:** Sugar alternative from Aspartame (protein derivative). Ideally added to tea, coffee, milk, cornflakes, fresh lime juice and other fruit juices. Balances sweetness with calorie intake. Ideal for the health-conscious, overweight and diabetics.

**Sugar Free Natura:** Made from sugar and tastes like sugar – with low calories. It contains Sucralose, the latest international zero calorie sweetener. It helps replace sugar in desserts and confectionaries.

**Sugar Free Green:** 100% Natural offering of Sugar Free made from Stevia. A new formulation developed using fresh, better-tasting stevia in FY 2020-21.

## Highlights, FY 2023-24

Sugar Free Green continues registering in strong double-digit growth on the back of new campaign and distribution strategy. The brand's contribution to sweeteners' business has grown to ~7%.

The Sugar Free brand continues to dominate the sugar substitute market with a market share of **95.9%** as per MAT March 2024 report of IQVIA.

Launched I'mlite, a unique formulation of sugar blended with stevia to offer consumers 50% less calories than regular sugar.

**I'mlite**

100% natural blended sugar-coated with stevia, with 50% less calories than normal sugar



# Complan®



Trusted heritage brand of

**80+** years

**90%** brand recall.



**Milk-Based Nutrition Drink**

High-quality milk protein content to meet the growth requirements of the consumer.



\*Refers to the outcome of clinical study published in Ind. J. Nutr. Dietet. (2008). Complan contains 18% protein sourced 100% from milk. Refer pack for more details. 1, 1.2 Dairy Based Beverage Mix (Proprietary Food). Creative Visualisation.

## Highlights, FY 2023-24



As the Nutrition Drink category has seen a shift in trends with growing preference for smaller pack format, the brand has been able to timely intervene and leverage newer pack formats with channel specific initiatives helping the brand to stay competitive and hold market share.

With the objective to establish the criticality of protein and nutritional superiority of Complan compared to brands we launched new TV campaign with established celebrities i.e. Madhuri Dixit and Sneha Prasanna which was backed by robust 360 degree campaigns across all mediums.

The category has grown by **6.4%** at MAT March level. Complan market share stood at **4.3%** as per MAT March 2024 report of Nielsen.



## Healthy Skin - with antibacterial formula



Heritage product of  
50+ years.

One of the most trusted  
talcum powder brands.

Leader in prickly heat and  
cooling powder category.

Established efficacy through the germ  
fighter formula; protects from sweat,  
body odour, rashes, itching and heat.



## Highlights, FY 2023-24

The prickly heat powder category has grown by **3.7%** at MAT level. Nycil has maintained its number one position with a market share of **35.0%** in this category as per MAT March 2024 report of Nielsen.

The launch of new TVC and digital campaigns steered the brand towards registering a very strong double digit growth during FY 2023-24.





**A trusted skincare brand**

Pioneer in speciality skin care products combining nature's goodness with proven scientific research.

Advanced skincare portfolio includes soap-free face wash, face masks, scrubs, leave-on products covering benefits like acne, exfoliation and sun protection.

**Highlights, FY 2023-24**

The brand outpaced category growth and registered a strong double digit growth during the financial year.

The face scrub category has registered a growth of **12.1%** at MAT level. Everyuth Scrub has maintained its leadership position with market share of **45.6%** in this category, which is an increase of 369 basis points over the same period last year as per MAT March 2024 report of Nielsen.

The Peel off category has registered a growth of **14.5%** at MAT level. Everyuth Peel off has maintained its number one position with a market share of **80.2%** in this category, which is an increase of 174 basis points over the same period last year as per MAT March 2024 report of Nielsen.

Everyuth brand is at number 5 position with a market share of **6.5%** at overall facial cleansing segment level as per MAT March 2024 report of Nielsen.





India's leading food accompaniment brand offering taste and health.

Leader in premium cholesterol fat-free spread.

Expanding into the contemporary range of spreads like Mayonnaise and Chocolate Spreads loved by consumers.

Dairy segment offering pure ghee from the land of Vraj under Nutralite Doodhshakti range and clarified Butter.

### HEALTHIER<sup>^</sup> & DELICIOUS SANDWICHES

With Nutralite Carrot & Cucumber Sandwich Spread



HEALTHIER<sup>^</sup> & DELICIOUS SANDWICHES  
 \*Healthier is compared to Mayonnaise & Butter. \*\*Healthier is compared to other spreads available in the market.

## Highlights, FY 2023-24

The brand was supported by digital media, e-commerce-channel activations and various customer engagement activities like Chef Meets and participation in Food exhibitions.

Focused celebrity engagements with Shilpa Shetty and Chef Sanjeev Kapoor to drive growth.

The brand has reported a healthy volume growth during the financial year.



# INTERNATIONAL BUSINESS

## INTERNATIONAL BUSINESS OVERVIEW



Present in more than  
**25 countries**

Sugar Free franchise and  
Complan constituting  
**~ 80% of the  
overall business**

**Targeting 8-10%  
of revenues**  
in next 4 to 5 years

Top 5 markets constitute  
**~80%  
of the business**



### Highlight FY 2023-24

Reported double digit growths led by South Asia and GCC markets.

Launched new products extensions i.e. Sugar Free D'lite Granola bars, Granola, instant coffee and hot chocolate premix, chocolate minis, butter cookies and Complan Young champs in specific international markets.



# AWARDS AND RECOGNITIONS

## Manufacturing Awards

### Integrated Manufacturing Excellence Initiative (IMEXI) 2023

Gold Award  
Zydus, Aligarh



Gold Award  
Zydus, Sikkim



Silver Award  
Zydus,  
Ahmedabad



### National awards for manufacturing competitiveness (NAMC) 2023

Gold Award  
Zydus,  
Aligarh



Gold Award  
Zydus,  
Sikkim



Gold Award  
Zydus,  
Ahmedabad



## HR Awards and Recognitions



## Brand Awards

### MOBEXX AWARDS

GLUCON-D bags Gold for **Best Use of Gamification**

NUTRALITE bags Gold for **Best Mobile App in Social Media**

GLUCON-D bags Gold for **Mobile Advertising Excellence** in Rich Media Campaign



### #e4m Martech India AWARDS

#### AWARDS

NUTRALITE bags Gold for **Best Use of Martech for Social/Influencer Marketing**



NUTRALITE bags Silver for **Best Use of UGC**



NUTRALITE bags Silver for **Tech Enabled Campaign**

GLUCON-D bags Bronze for **Small Budget Digital Marketing Campaign**



SUGAR FREE bags Silver for **Moment Marketing Campaign**



NUTRALITE bags Gold for **Best Media Innovation**



COMPLAN bags Bronze for **Best Relaunch Campaign**



NUTRALITE bags Silver for **Best Use of Video**

NUTRALITE bags Silver for **Content Marketing**



NYCIL bags Bronze in **Best Campaign in Personal Care Category**



Sugar Free D'Lite won **Product of the Year Gulf 2024** Award in the Sugar Free Snacks category based on independent survey conducted by Nielsen with consumers across GCC markets.



# ESG at Zydus Wellness

In the landscape of modern business evaluation, the principles of Environmental, Social, and Governance (ESG) stand as pillars that signify a paradigm shift in accountability and assessment. At Zydus Wellness, we have embraced this framework wholeheartedly, recognizing its significance in measuring our dedication to sustainability, ethical conduct, and corporate responsibility, transcending mere financial metrics.



Moreover, we are pleased to announce a significant enhancement in our S&P Global ESG score. This achievement underscores our unwavering commitment to continuously improving our performance and strategically driving growth.

At the heart of our operations lies a profound dedication to fostering inclusivity and diversity, ensuring that every individual is provided with fair opportunities. Our resolve towards environmental sustainability remains resolute, reflecting our recognition of the crucial role businesses play in preserving our planet for future generations.

Governance stands as the bedrock of our integrity and reputation. We maintain an unyielding commitment to upholding the highest standards of Corporate Governance. Our Board of Directors plays a pivotal role in providing robust oversight, ensuring transparency, accountability, and ethical decision-making at every turn. Through diligent efforts, we continuously refine our governance practices to stay aligned with evolving expectations, understanding that trust is not simply given but earned through responsible and principled leadership.

Our journey towards excellence in governance is a testament to our enduring pledge to operate with integrity and uphold the trust placed in us by our stakeholders. It is through such steadfast dedication that we strive to set new benchmarks in governance excellence, thereby reinforcing our position as a beacon of responsible corporate citizenship.

The publication of our ESG report for FY 2021-22 & 2022-23 serves as a testament to our commitment to transparency and accountability. It provides stakeholders with comprehensive insights into our sustainability initiatives, governance practices and overall performance. We invite all stakeholders to delve into the report, as we believe that transparency is the cornerstone of trust in our journey towards a sustainable and prosperous future.

We are pleased to report a substantial improvement in our **S&P Global ESG score**, which reflects our dedication to ongoing performance enhancement and strategic growth.

ESG Pillar	FY 2021-22	FY 2022-23	YoY increase
<b>Total Score</b>	38	58	53%
<b>Environment</b>	28	49	75%
<b>Social</b>	42	63	50%
<b>Governance</b>	43	63	47%

## ZYDUS WELLNESS ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRUCTURE

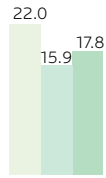




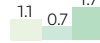
## KEY HIGHLIGHTS ON ENVIRONMENT



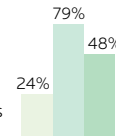
**Water Intensity**  
(Water consumed, KL/millions rupee of turnover)



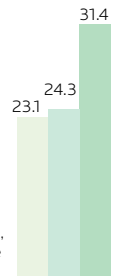
**GHG emission Intensity**  
(emission / millions rupee of turnover)



**% of energy consumed from renewable sources**



**Energy Intensity**  
(Total energy consumption, Gigajoules/millions Rupee of turnover)



As at March 31, 2024, **3 out of 4 plants of the Company** are operating under



**Zero Liquid Discharge protocols**

These plants include the facilities located in Ahmedabad and two units in Sikkim



**Saved 2.0% ground water consumption / ton** at Aligarh plant and 4.3% surface water consumption at Ahmedabad and Sikkim plants



Achieved zero waste to landfill



### OUR ESG COMMITMENTS

As we move forward, we aim to continue in our journey of advancing these vital initiatives for which the company has taken certain targets for FY 2028-29 as base of FY 2021-22:

**15.0%** Scope (1&2) emission reduction

**15.0%** increase in renewable energy

**20.0%** energy intensity reduction

**15.0%** reduction in water intensity



We have committed to a **25-year deal to generate 2MW of solar power** for our Aligarh plant, a significant step towards reducing our carbon footprint and promoting clean energy.



Additionally, we aim transition to fully recyclable multi-layer plastic for our packaging targeted by year **FY 2027-28** and our Goal is to decrease packaging material by **1,000 tons** over the next 3 years, starting **FY 2023-2024**.



## KEY HIGHLIGHTS ON SOCIAL

### HEALTH & SAFETY



**Invested 2,183 man-hours** in safety related employee trainings in FY 2023-24, which is **32%** increase compared to FY 2022-23.



Utilized **"Zysafe" EHS software** to report and monitor health and safety incidents.



Achieved zero incidents & fatalities reported for the year, demonstrating effective **EHS governance**



### ANIMAL WELFARE PROGRAMS

Conducted awareness programs for **1,600 farmers** and distributed **12,000 large deworming, 6,000 small deworming and 1,500 mineral mixture packets**



### DIVERSITY, INCLUSION AND WELL-BEING

Current female employees has increased to **7.3%**, from **6.8%** in the previous year



**0.2%** spent on well-being of employees and workers



**5.4%** gross wages paid to females as % of total wages



### DATA PRIVACY & SECURITY

Zero data breaches



## KEY HIGHLIGHTS ON GOVERNANCE



### ISO CERTIFICATIONS

Ahmedabad and Sikkim Plants are ISO 14001:2015 and 45001:2018 certified with efforts underway for certification of Aligarh Plant. All Plants are FSSC 22000 certified.



### POLICIES

Developed and embedded comprehensive policies within our operations.

A link to these policies is available in the Corporate Governance report, which is included in the Annual Report.



### SUPPLY CHAIN MANAGEMENT

Conducted initial ESG value chain assessment, evaluating top **14 critical vendors** on ESG criteria, representing **25% of our total vendor value**.



# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY OVERVIEW

According to IMF's World Economic Outlook (April 2024), global economic growth is estimated at 3.2 % in 2023 and is expected to grow in same pace for 2024 and 2025<sup>(1)</sup>. The pace of growth is low, owing to both near-term factors, such as still-high borrowing costs and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine; weak growth in productivity; and increasing geoeconomics fragmentation.

Global headline inflation is expected to fall from an estimated 6.8 % in 2023 (annual average) to 5.9 % in 2024 and 4.5 % in 2025<sup>(1)</sup>. As global inflation descended from its mid-2022 peak, economic activity grew steadily, defying warnings of stagflation and global recession. Employment and income growth held steady, reflecting supportive demand developments such as greater-than-expected government spending and household consumption. The unexpected economic resilience, despite significant central bank interest rate hikes aimed at restoring price stability, also reflects the ability of households in major advanced economies to draw on substantial savings accumulated during the pandemic.

<sup>(1)</sup> IMF - World Economic Outlook, April 2024

## INDIA ECONOMY OVERVIEW

The Indian economy reported GDP growth of 7.2% in FY 2022-23. With strong economic activities across key sectors the economy registered GDP growth of above 8% for first three consecutive quarters of FY 2023-24. Key sectors such as manufacturing, construction, defense and real estate continued to do well and reported very good growth for FY 2023-24, while there was bit of moderation in growth of agriculture sector for the financial year. As a result the GDP growth for the quarter four of FY 2023-24 was reported at 7.8% and 8.2% for FY 2023-24.

Going forward GDP growth is expected to moderate and grow in the range of 6.6% to 6.8% in FY 2024-25. The slow down mainly reflects a deceleration in investment from its elevated pace in the previous years. Growth in services and industry is expected to remain robust, aided by strong construction and real estate activity. Exports will continue to grow, especially for services such as information technology and consulting where India will continue to increase its global market share, supported by foreign investment. Headline inflation will decline gradually with housing prices and wages rates will progressively moderate, although uncertainty about food inflation remains elevated. This will allow interest rates to be lowered. Over the medium term, the fiscal deficit and government debt are projected to decline, supported by robust output growth and consolidation efforts by the central government.

## FMCG SECTOR OVERVIEW

During calendar year 2023, Indian fast-moving consumer goods (FMCG) sector growth was fueled by higher consumption as price growth has slowed as inflationary pressures have eased out gradually during the year. Both the Urban and Rural markets showed a positive uptick and an increased willingness to spend.



Rural consumption growth was lagging behind urban growth during calendar year 2023, however it has gradually picked up pace and has surpassed urban consumption growth in quarter 1 of calendar year 2024 as per latest report of Nielsen<sup>(1)</sup>.

Within the broader FMCG industry, large players continue to demonstrate stronger performance compared to small players. Despite this, smaller manufacturers have seen higher volume growth rates in non-food categories compared to large companies. This might be because smaller players face challenges in keeping prices stable in the food sector, while non-food categories with significant price increases have experienced higher volume growth.

The Indian FMCG industry, a cornerstone of the nation's economy, is poised for good growth in the calendar year 2024, albeit at a moderate pace compared to the previous year. The rural consumption growth converging with that of urban along with the industry's remarkable ability to navigate complexities and adapt to evolving market dynamics are likely to play the key factors underpinning the growth outlook for 2024.

<sup>(1)</sup> NielsenIQ India FMCG Quarterly Snapshot Q1'24

## YEAR 2023-24 FOR THE COMPANY

During Financial Year 2023-24, the Company reported total revenue from operations at ₹ 23,278 millions (+3.2% YoY). During the year the FMCG sector witnessed demand pressure as consumption growth was slow for both urban and rural. The expected buoyancy in rural demand was more lagging during major part of the financial year due to erratic monsoon and low growth in agriculture sector, however the rural consumption growth gradually picked up and surpassed urban in quarter 4 of financial year 2023-24. For the Company, the personal care segment witnessed a very strong double-digit growth for the financial year, while the food

and nutrition segment reported a flattish growth for the financial year. Some of our key brands falling in the food and nutrition segment faced negative headwinds from external factors impacting their sales during the year. The Company proactively addressed concerns raised by global regulatory body over the impact of consumption of non-nutritive sweeteners by taking various measures like releasing videos in vernacular language assuring safety of consumption of Sugar Free, organising conferences with veteran doctors and key opinion leaders. The consumption of aspartame continues to be safe at recommended levels. This was coupled with unseasonal rains witnessed pan-India. The off-takes of Glucon-D got impacted due to the same during the financial year.

As the country witnessed stabilization of inflation across commodities during the financial year, the Company also saw a gradual reduction of rates for its key inputs like milk and refined palm oil. With calibrated price increases taken across portfolio and efficient hedging strategy for key inputs, the Company has registered a good recovery of gross margin consistently over the last three quarters of the financial year over previous year comparable periods. As a result the Company has reported gross margin on net sales of 50.8% for the financial year 2024, which is an increase of 193 basis points on a Y-O-Y basis.

The Company continued to be the leader in five out of the six categories it operates in. The Company continues to strengthen the competitive positioning and market share across brands through strong distribution, category expansion and investments in product innovations, media campaigns, sales promotions, and digital initiatives. The Company meets the need of over 50 millions consumers every year through multiple online and offline channels including 3 millions stores that stock Zydus Wellness products. This is a testament to brands and our go to market capability built to meet consumers' daily needs and varying shopping baskets.

**The Company continued to deliver on the three key pillars that supported growth during 2023-24:**

**A. Acceleration of growth of core brands:**

The Company continued to support the growth of existing and new products with marketing initiatives and its Go-To-Market strategy.

**Glucon-D – Resilient performance despite seasonal challenges**

- New campaign launched for drive relevance, 'Thakaan Gone, Energy On'.
- Launched ready to drink format i.e. Glucon-D Activors Electrolyte Energy drink, with pilot launch in couple of key states during quarter four of the financial year.

**Complan – Supporting brand focused communication**

- Revamped the brand pack price architecture with launch of sachets and pouches nationally.
- Volume offtake progressively improved quarter on quarter for the brand.
- Continued to support the brand with new campaign emphasizing nutritional differentiation of the brand with onboarding popular celebrities Madhuri Dixit and Sneha Prasanna.

**Sweeteners – Driven by the natural variant of Sugar Free Green**

- With a 360 degree campaign, Sugar Free Green consistently registered a double digit growth over last three financial years.
- Proactively addressed concerns around consumption of non-nutritive sweeteners through discussion forums with veteran doctors and key opinion leaders and awareness campaigns in regional languages.
- Launched l'mlite, a unique formulation of sugar blended with stevia to offer consumers 50% less calories than regular sugar.

**Nycil – Category leading performance**

- Continues to be number one brand in the prickly heat powder category.
- Registered strong growth ahead of the category, despite intensive competitive scenario building around the category.

**Everyuth – Outpacing the category growth**

- Demonstrated a sustainable growth momentum over the years driven by superior product experience with double digit growth during the financial year and over 4 year CAGR.
- Core portfolio i.e. Scrub and peel off both continues to strengthen its leadership with growth in volume market share.
- TV and digital campaigns continued to enhance the growth of core portfolio comprising face wash, scrubs, peel off and body lotions.

**Nutralite – Volume growth driven by Dairy and spreads portfolio**

- Continued to support the brand with digital media, e-commerce channel activations and various customer engagement activities like Chef Meets and participation in food exhibitions.
- Focused celebrity engagements with Shilpa Shetty and Chef Sanjeev Kapoor to drive growth.



### B. Build International Presence:

- The Company aims to build scale in international business by focusing on key regions like SAARC, MEA, SEA and ISC, entering new geographies and introducing innovations and extensions catering to the needs of international markets. During the financial year the Company continued to build strong foundation across markets with double digit growths led by South Asia and GCC markets. The Complan and Sugar Free franchise are the lead brands in the International market.

### C. Significant initiatives to grow scale and improve profitability:

The Company has taken various initiatives to increase consumer base and improve profitability.

- As the world witnesses shift in consumer desires, choices and how they access them, the Company's prime focus is to innovate new products and extensions that fit into the consumers evolving preferences and bring novel solutions for category expansion. With the strong R&D team and new state of the art R&D facility at Ahmedabad, the Company has a strong new product pipeline in place which could be launched at an appropriate time based on the market requirements and consumer needs. We ensure that all our new products are well researched and scientifically backed and substantiated. During the Financial year the Company launched Glucon-D Activors Electrolyte Energy drink a ready to drink format to further expand the brand presence in domestic market, Sugar Free D'Lite product extensions for International business like Granola bars, Granola, instant coffee and hot chocolate premix, chocolate minis, butter cookies and Complan Young champs in Nigeria for kids aged 5 years to 15 years.
- In today's competitive market, it's crucial to identify the most effective channels for reaching potential and existing customers together and increase overall penetrations of its brands. The Company continues to drive growth of its iconic brands through reimagined narratives and exploring new approaches to media exposure for our brands to achieve consumer connection with greater precision. The Company has been able to increase overall penetration of its key brands. For example, Complan Household Penetration grew by 9.7%, Glucon-D Household Penetration grew by 10.4%, Nycil Household Penetration grew by 24.7% as per Kantar World Panel Report as on MAT February 2024. This reflects Company's innovative market practices and on ground execution capabilities to drive the penetration.
- Over past two years the Company completely switched from distribution led model to doing direct business

with all modern trade and e-commerce chains. This disintermediation helped the Company improve its lead time and availability and also resulted in saving of margins. The Company has transitioned over last few years towards increasing the share of organized trade with channel specific offerings to build more relevance with new age consumers.

- As the Company continues to grow in scale and launch new products and extensions, it is imperative to make these products available across channels to reach to the consumers who are looking for such offerings through a right mix of distribution reach. The overall availability of Zydus Wellness products crossed 2.8 millions stores with almost equal split between urban and rural distribution.



## FINANCIAL REVIEW

### Consolidated financial highlights

(In ₹ Millions)

Parameters	FY 2023-24	FY 2022-23	Growth (%)
Net Sales	23,152	22,426	3.2%
Total Income from Operations	23,278	22,548	3.2%
EBITDA	3,082	3,372	-8.6%
EBITDA Margin (%)	13.2%	15.0%	
Profit Before Tax (before exceptional items)	2,743	3,010	-8.9%
PBT Margin (%)	11.8%	13.3%	
Net Profit	2,669	3,104	-14.0%
Net Profit Margin (%)	11.5%	13.8%	
Adjusted Net Profit*	2,811	3,205	-12.3%

\*Excluding exceptional items

### Profits and Margins

The EBITDA (Earnings before Interest, Depreciation, Taxation and Amortization) de-grew by 8.6% to ₹ 3,082 millions from ₹ 3,372 millions, last year. The Company registered 13.2% EBITDA margin. With calibrated price increases taken across portfolio and efficient hedging of key inputs the Company was able to consolidate the gross margin for the financial year and reported Gross margin at 50.8% of net sales basis for the financial year 2024, which is an increase of 193 basis points on a Y-O-Y basis. The Company ploughed back some of the gross margin expansion into brand building during the year, as a result of which advertisement expenses grew by 15.5% for the year. The reported net profit stood at ₹ 2,669 millions.

### Net Worth and Capital Employed

The total net worth as on March 31, 2024 was ₹ 53,575 millions, higher by 4.6% from the previous year. The return on equity (ROE = Reported Net profit / Equity) stood at 5.0% during the year. Return on Capital Employed (ROCE = Adjusted earnings before interest net of tax / CE) stood at 5.4% during the year.

### Net Debt

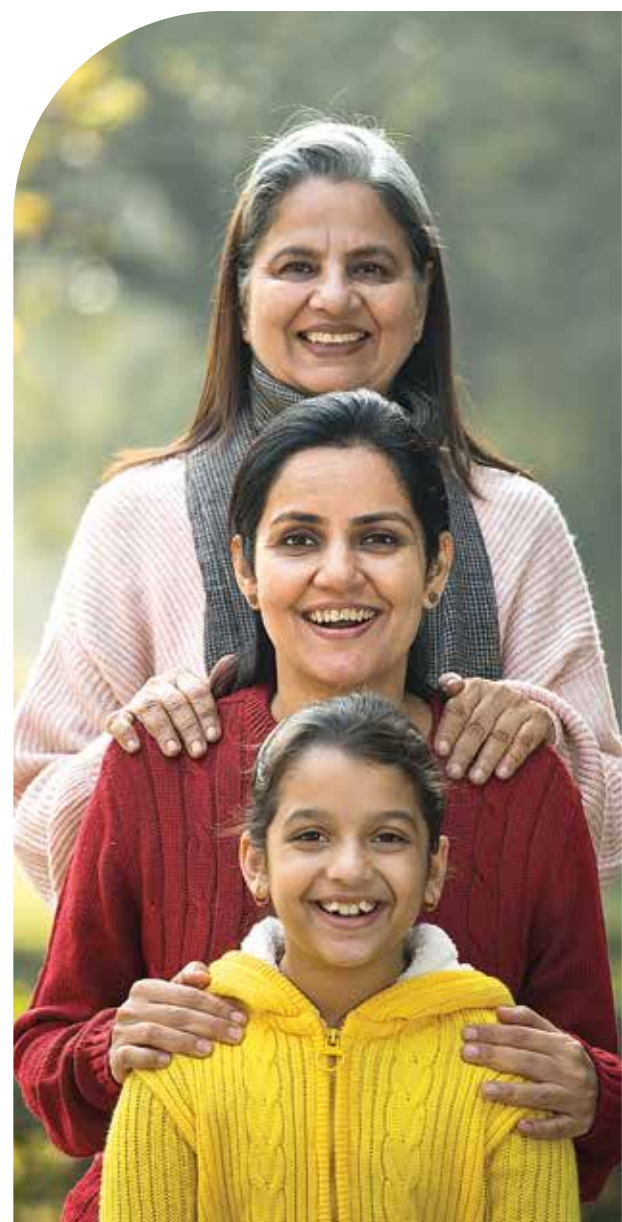
The consolidated net debt of the Company as on March 31, 2024 was at ₹ 76 millions, against ₹ 1,844 millions last year. Net debt-equity ratio improved at 0.001 as on March 31, 2024 as against 0.04 as on March 31, 2023.

### Capital Expenditure

The Company has incurred capital expenditure of ₹ 349 millions in Financial year 2023-24.

### Other Key Ratio

The Company's current ratio (considering current / short term debt, and excl. non-current assets) as on March 31, 2024 stood at 1.58 against 1.31 last year. Debtor's turnover ratio (in days) as on March 31, 2024 stood at 44.4 days as against 33.6 days last year, due to higher sales towards end of the year. Trade payables turnover ratio (in days) as on March 31, 2024 stood at 56.9 days as against 50.7 days last year. Inventory turnover ratio (in days) as on March 31, 2024 stood at 73.1 days as against 74.1 days last year.



## STAKEHOLDER ENGAGEMENT

At Zydus Wellness Limited, the Company actively manages a range of key stakeholder relationships and strive to ensure open, honest, and constructive communication to ensure development of the business following robust engagement process for internal and external stakeholders.

### The stakeholder network includes

#### A. Employees

Employees are the key stakeholders who drive the business objectives as a cohesive unit, thereby, making it imperative for the Company to address their needs, challenges, and aspirations. The following initiatives are undertaken in this regard –

##### 1. Employee Engagement:

- **Employee-Friendly Workplace:**

Our organizational culture values collaboration, innovation, and employee empowerment.

- **Physically and Mentally Safe Workplace:**

We foster a physically and mentally safe workplace through robust policies such as Prevention of Sexual Harassment of Women at Workplace (POSH).

- **Performance Recognition:**

We maintain a fair performance recognition system through our performance management system. Grounded on the pillars of meritocracy, collaboration, and execution excellence.

- **Feedback Mechanisms:**

We've established regular feedback mechanisms such as "Chai pe Charcha" for field sales employees and "Espresso with the CEO" for mid-level managers, facilitating one-on-one discussions to gather insights and address concerns.

- **Employee Recognition and Celebration:**

We create opportunities to celebrate achievements and milestones through formal recognition programmes, annual off sites, Sales conference, team-building activities, and monthly birthday celebrations.

- **Employee Wellness:**

We've launched a Health and Wellness Policy and offered free health check-ups for employees at headquarters, with plans to extend this benefit to field employees, emphasizing a holistic approach to employee wellbeing.

##### 2. Professional Development:

- We invest in our employees' growth and development to help them reach their full potential. Our initiatives include:

- **Talent Management:**

We conduct talent reviews, identify top talent, and implement succession planning for critical roles, ensuring a pipeline of skilled professionals ready to lead.

- **Training and Development Programme:**

Our comprehensive training programme equip employees with the skills and knowledge necessary to excel in their roles. We provide skill-based technical training programmes across our plants and curate need-based interventions.

- **Leadership Development:**

We nurture strong leaders through tailored leadership development programmes, incorporating tools like the Hogan 360 assessment to identify strengths and areas for improvement. Our aim is to empower leaders at all levels to inspire and motivate teams while upholding our organizational values.

##### 3. Rewards:

- We believe in recognizing and celebrating the contributions of our employees. As a streamlined recognition structure we have enhanced our recognition and rewards structure, featuring initiatives like quarterly individual and team awards and SPOT awards to celebrate achievements.

- These initiatives have contributed to Zydus Wellness being recognized as a Great Place to Work for the second consecutive financial year, affirming our commitment to creating a workplace where employees feel valued, supported, and empowered to thrive.

#### B. Shareholders & Investors –

The Company values shareholders and investors who place their trust in and therefore, believe in effective and transparent communication through the following -

- Quarterly investor conference calls with analysts / institutional investors.
- Hosting Investor presentations and publishing earnings call transcripts and audio recording of the call on the website of the Company and the stock exchanges.
- Conducting Annual General meetings & publishing Annual Report on the website of the Company and the stock exchanges.
- Publication of Press releases on website of the Company and the stock exchanges.
- Publication of financial results / statements (unaudited / audited) on a quarterly / half-yearly / yearly basis on the website of the Company, the stock exchanges, and in the newspaper.
- Separate section of investors on the website of the Company in line with regulatory requirements.
- Addressing investor grievances by Stakeholders' / Investors' Relationship Committee comprising Independent and Non-Executive Directors.
- Practicing robust corporate governance.

### C. Consumers –

The heart of business lies in making the consumer a priority and adapting to their evolving requirements through -

- Continuous engagement to gauge needs and address them with suitable product & pack solutions.
- Undertaking critical business decisions basis prior validation from consumers. The Company places considerable emphasis on the impact of those decisions.
- Enabling better choices by imparting information to consumers through several media channels and social campaigns.
- Delivering superior experience by offering best-in-class products and engaging in consistent improvements with the use of latest science.
- Driving value by consistently challenging cost structures.
- Providing prompt feedback to consumer queries and grievances.
- Enabling free trial of new products through different online & offline platforms.

### D. Government & Regulatory Authority –

The Company supports the government and regulatory authorities by -

- Working with them through industry associations for policy advocacy.
- Supporting initiatives of the government for community welfare and development.
- Participating in seminars, meetings and conferences organized by the government and industry associations.

### E. Suppliers & Vendors –

The Company supports the suppliers and vendors by -

- Organizing dairy camps with farmers.
- Educating them and distributing mineral mixture and deworming tablets for better health of animals.
- Continuous connect (virtual and physical) with critical suppliers to ensure supplies in VUCA (volatile, uncertain, complex, ambiguous) world.
- Fair contracts and joint processes to improve quality.
- Conducting strategic meetings between suppliers and management at regular intervals.
- Periodic communication on quality and service levels.

### F. Planet & Society –

The Company contributes to the planet and society at large by –

- Ensuring compliance of all rules & regulations.
- Developing responsible products.
- Engaging in policy advocacy.
- Participating in environment improvement initiatives and sustainability (energy, water, waste reduction) improvement initiatives.
- Participating in working groups, events, conferences and community development activities.





## RISKS

### Risk identification, Risk mitigation, and Internal controls –

The Company's business comprises manufacturing and marketing of consumer wellness products. Its presence in these segments exposes it to various risks which are explained below.

#### Risk of fluctuations in prices of key inputs –

- Prices of key ingredients used in the products manufactured and marketed remain volatile due to several market-related factors, including changes in government policies, inflationary environment, and fluctuations in the foreign exchange, resulting in price fluctuations of products. The Company keeps a close watch on the prices and enter into long term contracts, wherever feasible, to minimize the risk of fluctuations in the input prices. The Company has also adequate inventory buffers as a risk mitigation measure and there is a continuous effort to increase supplier base in case risk is perceived.

#### Risk of competition and price pressure –

- Though most of the Company's products enjoy leading positions in their respective categories, the risk of competition from existing players as well as from new entrants remains high. However, the Company's strength in the marketplace, coupled with its continuous thrust on improving the quality of its products and offering newer products in the wellness segment provide it with an edge over competition. The Company supplies its products in both retail as well as institutional segments. Both segments have their own nuances in terms of customer expectations, competition, and pricing. However, the Company is well focused on increasing its share in all segments through a sound marketing strategy and a balanced approach.

#### Risk of evolving customer tastes, preferences, and behavior –

- The Covid-19 pandemic has resulted in notable changes in consumer habits and demands which require continued innovation to remain relevant and competitive. While the focus remains on accelerating the growth of core brands through innovation, the Company may lose market share and competitive advantage owing to shifts in consumer behavior.

#### Risk of litigation related to quality of products, intellectual properties, and other litigation –

- Being in the consumer healthcare and wellness segment, the Company's products and their manufacturing and supply chain processes are required to maintain high quality standards. Any deviation from prescribed regulations or any variation in quality from standards laid down by regulatory authorities can lead to actions from these authorities or litigation from its customers.

The Company has implemented various policies such as quality risk management, food safety management systems and regulatory controls. Different SOPs such as global food safety management, compliance standards for manufacturing facilities and self-inspection are also implemented. Dedicated team has been deployed to continuously keep a watch on recent changes in regulatory requirements and evaluate their likely impact on the Company to enable proactive measures to mitigate any possible risks of regulatory actions. The Company has procured adequate insurance against the risk of products being recalled from the markets due to quality issues. The Company also faces the risk of litigation from its competitors or customers on claims it makes for values its products offer. The Company always strives to ensure the highest standard of quality for its products and processes, and continuously works on improving upon that quality. It also maintains a high level of accuracy in product claims. Having a strong brand equity in each of the segments, the Company faces the risk of unauthorized and illegitimate use of its brand name, packaging designs and other intellectual properties related to its products. The Company ensures protection of its intellectual properties through appropriate registrations and other legal means. Currently there is an ongoing Trade mark dispute of the brand Sugarlite which the Company is contesting in the court of law.

#### Macro Economic and geopolitical risks –

- Geopolitical and macro-economic issues like political instability, military conflicts between countries, terrorist threats, significant currency devaluation and inflation in a country, geographical events that can have regional or global impacts poses a substantial risk for the Company who is globally dependent for its business. On the trade side, increased restrictions due to tensions between countries can disrupt trade flows and cause supply chain problems even in third-party countries. Restrictions can also affect commodity prices and lead to shortages of key resources such as oil and gas, affecting industrial production worldwide. The Company is very cognizant of the current on-going issues which might impact the business as usual. In light of the same the Company is focused on portfolio diversification to reduce single product dependency in some of its international business market, localization of manufacturing of its products to reduce forex and currency dependence of a particular country and expanding into new and stable geographies for its product portfolio.

#### Under Penetration of Category –

- The Company is continuously investing in the development of its brands and the category it operates in. Some of the categories in which the Company operates are under penetrated currently which poses one of the risks for the aspiration and growth strategy of the Company. The Company constantly innovates to meet the expectation of all its customers and therefore offers unique product propositions which would help to grow the brands and their respective categories.

#### Impact on business due to risk of shift or delay in seasons –

- The delay or shift in seasons may impact business of some of the brands like Glucon-D and Nycil which are largely dependent on onset of a good summer season in India. This risk can be mitigated by having flexibility in its supply chain to manage the inventory.

#### Counterfeit Products –

- The production of counterfeit products poses significant threat to the Company's credibility resulting in loss of sales and customer trust in the brand. The risk is mitigated by taking timely legal action against the fraudulent practices to safeguard its interests.

#### Supply chain disruptions –

- Covid-19 and geopolitical uncertainty around the world has put the resilience and continuity of the Company's supply chain at risk. The supply chain network is exposed to potentially adverse events such as physical disruptions, environmental and industrial accidents, labor unrest, trade restrictions or disruptions at a key supplier, which could hamper the Company's efficiency and delivery. These risks may be mitigated by adaptive distributed manufacturing footprint, following harmonious labor practices, ensuring sufficient inventory at all times and having more than one source of critical supplies.

#### Cyber Security –

- The cyber-attack threat of unauthorized access and misuse of sensitive information poses a great threat to business with the increase in digitalization efforts and the hybrid model of working. This makes the Company's business operations vulnerable and may inhibit performance. The Company has implemented and installed necessary security tools to safeguard against cyber-attacks.

#### Risk management and Internal Control Systems –

- The Company has established a well-defined process of risk management, wherein the identification, analysis, and assessment of the various risks, measuring the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of resources. Apart from these internal control procedures, a well-defined and established system of internal audit is in operation to independently review and strengthen these control measures, which is carried out by a reputed firm of chartered accountants. The audit committee of the Company regularly reviews the reports of the internal auditors and recommends actions for further improvement of operations in general and financial controls.

#### Human resources –

- Apart from traditional responsibilities of the HR department, such as ensuring equitable benefits and compensation, overseeing employee engagement and retention, enhancing diversity, handling workplace issues, the Company has remained very committed to safety of all its employees and partners, and adopted the hybrid model of working to ensure wellbeing of its workforce. All necessary precautions and safety measures were implemented across all its locations.



## STATUTORY REPORTS



# STATUTORY REPORTS

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# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present **Thirtieth** Annual Report on the business and operations of the Company, along with the Standalone & Consolidated Audited Financial Statements of the Company for the Financial Year ended on March 31, 2024.

## Financial Highlights:

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under section 133 of The Companies Act, 2013 ("the Act"), read with Rule 7 of The Companies (Accounts) Rules, 2014 ("the Accounts Rules").

The standalone and consolidated financial performance of the Company, for the Financial Year ended on March 31, 2024 are summarized below:

₹ in Millions

Particulars	Standalone		Consolidated	
	For the year ended on March 31, 2024	For the year ended on March 31, 2023	For the year ended on March 31, 2024	For the year ended on March 31, 2023
Revenue from Operations and other Income	2,628	2,647	23,417	22,597
Profit before Interest, Depreciation, Amortization and Impairment expenses, exceptional item and tax	510	518	3,221	3,421
Less: Finance Costs	26	11	240	161
Less: Depreciation and amortization expenses	36	35	238	250
<b>Profit before exceptional item and tax</b>	<b>448</b>	<b>472</b>	<b>2,743</b>	<b>3,010</b>
Exceptional Items	-	-	142	101
<b>Profit Before Tax (PBT)</b>	<b>448</b>	<b>472</b>	<b>2,601</b>	<b>2,909</b>
Less: Tax Expenses [Debited / (Credited)]	111	(192)	(68)	(195)
<b>Profit After Tax (PAT)</b>	<b>337</b>	<b>664</b>	<b>2,669</b>	<b>3,104</b>
<b>Attributable to:</b>				
Owners of the Parent	337	664	2,669	3,104
Other Comprehensive (Loss) / Income (net of tax)	(3)	(5)	(2)	-
<b>Total Comprehensive Income</b>	<b>334</b>	<b>659</b>	<b>2,667</b>	<b>3,104</b>
<b>Attributable to:</b>				
Owners of the Parent	334	659	2,669	3,104
Opening balance in Retained Earnings	3,887	3,546	14,766	11,981
<b>Amount available for appropriation</b>	<b>4,221</b>	<b>4,205</b>	<b>17,435</b>	<b>15,084</b>
Less:				
Dividend	(318)	(318)	(318)	(318)
<b>Closing Balance in Retained Earnings</b>	<b>3,903</b>	<b>3,887</b>	<b>17,117</b>	<b>14,766</b>
Earnings Per Share (EPS) (Face Value of shares of ₹ 10/- each)				
Basic (₹) - After exceptional items	5.30	10.44	41.94	48.78
Basic (₹) - Before exceptional items	5.30	10.44	44.18	50.36
Diluted (₹) - After exceptional items	5.30	10.44	41.94	48.78
Diluted (₹) - Before exceptional items	5.30	10.44	44.18	50.36

## Results of operations:

During the year under review, the consolidated revenue from operations grew by 3.2% to ₹ 23,278 millions (Rupees Twenty Three Thousand Two Hundred Seventy Eight millions only) from ₹ 22,548 millions (Rupees Twenty Two Thousand Five Hundred Forty Eight millions only) in 2022-2023. The profit before tax decreased by 10.6% y-o-y to ₹ 2,601 millions (Rupees Two Thousand Six Hundred One millions only). Net profit after tax (before OCI) decreased by 14.0% y-o-y to ₹ 2,669 millions (Rupees Two Thousand Six Hundred Sixty Nine millions only). The Net Profit margin, as a % (Percentage) to total operating income during the current year is 11.5%. A detailed analysis of performance for the year has been included in the Management Discussion and Analysis Report, forming part of the Annual Report.

During the year under review, the standalone revenue from operations and other income was ₹ 2,628 millions (Rupees Two Thousand Six Hundred Twenty Eight millions only). The Company has incurred standalone Profit Before Tax of ₹ 448 millions (Rupees Four Hundred Forty Eight millions only) and Profit after Tax of ₹ 337 millions (Rupees Three Hundred Thirty Seven millions only). The EPS on standalone financials for the year ended on March 31, 2024 was ₹ 5.30 (Rupees Five and Thirty paise only).

### Dividend:

During the year under review, your Directors have recommended a final dividend of ₹ 5/- (Rupees Five only) (50.0%) per equity share on 6,36,32,144 Equity Shares of ₹ 10/- (Rupees Ten only) each fully paid-up for the Financial Year ended on March 31, 2024, amounting to ₹ 318 millions (Rupees Three Hundred Eighteen millions only). The dividend, if declared by the members at the ensuing Annual General Meeting (“AGM”), will be paid to those Members whose name stands registered in the Register of Members on Friday, July 19, 2024 i.e. the Record Date. In respect of shares held in dematerialized form, it will be paid to the Members whose name are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited, as beneficial owners. The Dividend Payout Ratio for the Financial Year ended on March 31, 2024 is 11.9% of consolidated profit after tax. The Income Tax Act, 1961, (“the **IT Act**”) as amended by The Finance Act, 2020, mandates that dividend paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source at prescribed rates, at the time of making the payment of dividend. More details on deduction of tax at source are provided in Note No. 6 of the Notice convening Thirtieth AGM.

Pursuant to regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **Listing Regulations**”) the Company has formulated Dividend Distribution Policy, which is approved by the Board of Directors (“the **Board**”) and is uploaded on the website of the Company and the weblink of the same is provided in a separate section in Corporate Governance Report, which forms part of the Annual Report.

### Renewable Energy Project:

In line with the philosophy to enhance the share of renewable power source in its operations and to comply with regulatory requirement for being a ‘captive user’ under The Electricity Act, 2003, Zydus Wellness Products Limited (“**ZWPL**”), the wholly owned subsidiary company has entered into Share Purchase, Subscription and Shareholders’ Agreement to acquire stake in AMP Energy Green Thirteen Private Limited (“**AMP**”), for generating 2MW Solar Power Project for Aligarh plant. ZWPL has invested ₹ 7.20 millions (Rupees Seven millions Two Hundred Thousand only) in the equity shares and Compulsorily Convertible Debentures (“**CCDs**”) equivalent

to 0.7% of the equity share capital and CCDs of AMP, on a fully diluted basis, as at March 31, 2024 and the details of investment are provided in the Note No. 4 - Investments of the Audited Financial Statements of ZWPL.

### Consolidated Financial Statements:

Pursuant to the provisions of Ind AS-110 on Consolidation of Financial Statements and as provided under the provisions of the Act read with Schedule III of the Act and Rules made thereunder and the Listing Regulations, the Audited Consolidated Financial Statements are provided in the Annual Report, which provides the financial resources, assets, liabilities, income, profits and other details of the Company and its wholly subsidiary companies, as a single entity.

### Subsidiary companies:

The Company has 5 (five) wholly owned subsidiary companies viz. ZWPL, Liva Nutritions Limited, Liva Investment Limited, Zydus Wellness International DMCC, Dubai and Zydus Wellness (BD) Pvt. Limited, Bangladesh. During the year, no companies have become or ceased to be its subsidiaries, joint ventures or associate companies.

There has been no material change in the nature of business of the Company as well as subsidiary companies. More details are provided in the Audited Financial Statements. During the year under review, the Board has reviewed the performance / affairs of the subsidiary companies.

Pursuant to the provisions of regulation 16(1)(c) of the Listing Regulations, the Company has formed a policy relating to material subsidiaries, which is approved by the Board and the weblink of the same is provided in a separate section in Corporate Governance Report, which forms part of the Annual Report.

Pursuant to the provisions of section 136 of the Act, the Audited Financial Statements of the subsidiary companies are uploaded on the website of the Company at [www.zyduswellness.com](http://www.zyduswellness.com). The Company will make available free of cost the Audited Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Financial Statements of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. Pursuant to the provisions of sections 129, 134 and 136 of the Act and Rules made thereunder and regulation 33 of the Listing Regulations, the Consolidated Financial Statements presented by the Company includes Financial Results of its subsidiary companies.

Pursuant to the provisions of section 129(3) of the Act and Rules made thereunder, a statement containing the salient features of the Financial Statements of its subsidiaries in the prescribed format in Form AOC-1 is attached to the Audited Financial Statements.

### Transfer of Shares and Dividend to Investor Education and Protection Fund (“IEPF”):

Pursuant to the provisions of sections 124 and 125 of the Act and Rules made thereunder from April 1, 2023 to May 14, 2024, the Company has transferred equity shares and dividend to IEPF Authority as mentioned below:

- i. 11,872 (Eleven Thousand Eight Hundred Seventy Two) equity shares of ₹ 10/- (Rupees Ten only) each of 259 (Two Hundred Fifty Nine) members whose dividend has remained unclaimed / unpaid for a consecutive period of 7 (seven) years to the demat account of IEPF after giving notice to the members and publishing advertisement in newspapers to claim their shares and
- ii. ₹ 2.03 millions (Rupees Two millions Thirty Thousand only) held by 6,349 (Six Thousand Three Hundred Forty Nine) members, being the unclaimed dividend for the Financial Years ended on March 31, 2016 and March 31, 2017 to IEPF after giving three notices to the members to claim their unpaid / unclaimed dividend.

As at March 31, 2024, 90,852 (Ninety Thousand Eight Hundred Fifty two) equity shares are lying with IEPF.

### Fixed Deposit:

Pursuant to the provisions of sections 73 and 74 of the Act read with Rules made thereunder, the Company has neither accepted nor renewed any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the end of the Financial Year.

### Insurance:

The Company's properties, plants, equipments and stocks / inventory are adequately insured against all major risks. The Parent Company has taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them, which also includes the Directors of the Company.

### Management Discussion and Analysis (“MDA”):

Pursuant to the provisions of regulation 34(2)(e) of the Listing Regulations, MDA, for the year under review, is provided in a separate section, which forms part of the Annual Report.

### Related Party Transactions:

All contracts / arrangements / transactions entered into by the Company during the Financial Year ended on March 31, 2024 with related parties were in the ordinary course of business and on an arm's length basis and had no conflict with the interest of the Company. All related party transactions are placed before the Audit Committee on a quarterly basis for review and approval.

Pursuant to the provisions of section 134(3)(h) of the Act and Rules made thereunder, disclosure of particulars of material

transactions [i.e. transactions exceeding ₹ 10,000/- millions (Rupees Ten Thousand millions only) or 10% (ten percent) of the annual consolidated turnover as per the latest Audited Financial Statements] with related parties entered into by the Company in the prescribed format in Form No. AOC-2 is annexed to this report as **Annexure-“A”**. Disclosures on related party transactions are set out in Note No. 37 of the Standalone Audited Financial Statements.

Pursuant to the provisions of regulation 23(1) of the Listing Regulations, the Board has approved Policy on materiality of related party transactions and dealing with related party transactions and the weblink of the Policy is provided in a separate section in Corporate Governance Report, which forms part of the Annual Report.

Pursuant to the provisions of regulation 23(9) of the Listing Regulations, during the Financial Year ended on March 31, 2024, the Company has filed the half yearly disclosures of related party transactions with the stock exchanges.

### Particulars of Loans, Guarantees and Investments:

Pursuant to the provisions of section 134(3)(g) of the Act, details of loans, guarantees and investments covered under section 186 of the Act are given in the notes to the Standalone Audited Financial Statements.

### Directors and Key Managerial Personnel:

As at March 31, 2024, your Company's Board comprised of 8 (eight) Directors; which includes 1 (one) Executive Director and 7 (seven) Non-Executive Directors, comprising of 4 (four) Independent Directors (“IDs”) [which also includes 1 (one) Woman Director] and 1 (one) Nominee Director. Other statutory details are provided in the Corporate Governance Report, which forms a part of the Annual Report.

#### i. Appointment of Director:

Based on the recommendation of the Nomination and Remuneration Committee (“NRC”), the Board appointed Mr. Akhil A. Monappa (DIN: 09784366) as an Additional (Non-Executive and Independent) Director of the Company for the first term of 5 (five) consecutive years w.e.f. May 17, 2023. Further, the members at the 29<sup>th</sup> (Twenty Ninth) AGM held on August 3, 2023 passed special resolution for approval of the said appointment.

#### ii. Appointment and Re-appointment of IDs:

Based on the recommendation of NRC and the Board, the members at the 29<sup>th</sup> (Twenty Ninth) AGM held on August 3, 2023 passed special resolutions for re-appointment of Ms. Dharmishtaben N. Raval (DIN: 02792246) and Mr. Srivishnu R. Nandyala (DIN: 00025063) as IDs of the Company for the second term of 5 (five) consecutive years effective from March 11, 2024.

**iii. Completion of term of ID:**

Mr. Savyasachi S. Sengupta (DIN: 05158870) ceased to be an ID of the Company and member of various committees of the Board w.e.f. close of business hours on November 1, 2023, on completion of his first term of 5 (five) consecutive years i.e. from November 2, 2018 upto November 1, 2023.

The Board placed on record its sincere appreciation for the contribution made by him during his tenure as the ID.

**iv. Retirement by rotation and Re-appointment of Mr. Tarun Arora as a Chief Executive Officer & Whole Time Director (“CEO & WTD”) for a period of 5 (five) years:**

Pursuant to the provisions of section 152(6) of the Act and in terms of the Articles of Association of the Company, Mr. Tarun Arora (DIN: 07185311) will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Further, Mr. Tarun Arora was re-appointed as a CEO & WTD of the Company for a period of 5 (five) years from May 7, 2020 and his tenure of re-appointment will expire on May 6, 2025.

The Board based on the recommendation of NRC at its meeting held on May 14, 2024 and subject to approval of members at the ensuing AGM, has re-appointed Mr. Tarun Arora as a CEO & WTD, for a further period of 5 (five) years, with effect from May 7, 2025 upto May 6, 2030. The Board recommends his re-appointment.

**v. Approval for regularization of Mr. Ashish P. Bhargava as a Nominee Director:**

Mr. Ashish P. Bhargava was appointed as a Nominee Director of the Company w.e.f. January 30, 2019.

Pursuant to the provisions of regulation 17(1D) of the Listing Regulations and based on recommendation of NRC, the Board at its meeting held on May 14, 2024, subject to approval of members at the ensuing AGM, has recommended the regularization of Mr. Ashish P. Bhargava as a Nominee Director of the Company.

**vi. Declaration of Independence:**

Pursuant to the provisions of section 134(3)(d) of the Act, the Company has received declaration of independence as stipulated under sections 149(6) and 149(7) of the Act and regulations 16(1)(b) and 25 of the Listing Regulations from IDs confirming that they are not disqualified for continuing as an ID. There has been no change in the circumstances affecting their status as IDs of the Company.

All the Directors of the Company, who are required to get registered, have registered themselves with The Indian Institute of Corporate Affairs. Further, as per

the declarations received, none of the Directors of the Company are required to give online proficiency test, except 1 (one) ID who has cleared the proficiency test, as per the first proviso to rule 6(4) of The Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time.

**vii. Details of Directors seeking re-appointment / regularization:**

Pursuant to the provisions of regulation 36(3) of the Listing Regulations and standard 1.2.5 of Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India (“ICSI”), details of Directors seeking re-appointment / regularization at the ensuing AGM is annexed to the notice convening Thirtieth AGM.

**viii. Key Managerial Personnel (“KMP”):**

The following persons are the KMP as on March 31, 2024:

1. Mr. Tarun Arora, CEO & WTD,
2. Mr. Umesh V. Parikh, Chief Financial Officer, and
3. Mr. Nandish P. Joshi, Company Secretary and Compliance Officer.

**ix. Board Evaluation:**

Pursuant to the provisions of the Act and the Rules made thereunder and as provided under Schedule IV of the Act and the Listing Regulations, the NRC and the Board have carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its committees. Pursuant to the provisions of section 134(3)(p) read with rule 8(4) of the Accounts rules, the manner in which the evaluation was carried out is provided in the Corporate Governance Report, which forms a part of the Annual Report.

In a separate meeting of IDs, the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Director and Non-Executive Directors.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria fixed by the Board / NRC.

The functioning of the Board, the Committees and performance of individual Directors was found satisfactory.

**x. Nomination and Remuneration Policy:**

The Board has on the recommendation of the NRC, framed a Policy on selection and appointment of Director(s), Senior Management and their remuneration. The Nomination and Remuneration Policy and weblink of the same is provided in a separate section in Corporate Governance Report, which forms part of the Annual Report.



**xi. Pecuniary relationship:**

During the year under review, except those disclosed in the Audited Financial Statements, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

**Insider Trading Regulations:**

The Company has adopted the Code for Prevention of Insider Trading as per the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**Insider Trading Regulations**"). Other details on Insider Trading Regulations are provided in the Corporate Governance Report, which forms a part of the Annual Report.

**Directors' Responsibility Statement:**

Pursuant to the provisions of sections 134(3)(c) and 134(5) of the Act and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

- i. that in preparation of the Financial Statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
- ii. that such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date,
- iii. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,
- iv. that the Financial Statements have been prepared on a going concern basis,
- v. that proper internal financial controls were in place and that the financial controls were adequate and operating effectively, and
- vi. that the systems to ensure compliance with the provisions of all applicable laws were in place and adequate and operating effectively.

**Board meetings:**

Pursuant to the provisions of section 173(1) of the Act, regulation 17(2) of the Listing Regulations and standard 2.1 of Secretarial Standard-1 on Meetings of the Board of Directors issued by the ICSI, 4 (four) Board meetings were held during the Financial Year ended on March 31, 2024 and the time gap between any 2 (two) Board meetings was not more than 120 (one hundred twenty) days. The Board approved 3 (three) resolutions by circulation, on June 30, 2023, October 24, 2023 and

March 30, 2024. Other information with regard to the Board meetings is given in the Corporate Governance Report, which forms a part of the Annual Report.

**Audit Committee:**

Pursuant to the provisions of section 177(8) of the Act and regulation 18(2) of the Listing Regulations, the information about composition of Audit Committee and other details are given in the Corporate Governance Report, which forms a part of the Annual Report.

**Composition of other Committees:**

Composition of other Committees constituted by the Board and details of the Committees are given in the Corporate Governance Report, which forms a part of the Annual Report.

**Recommendations of Committees:**

The Board has accepted the recommendations of all the Committees constituted by the Board.

**Corporate Governance:**

The Company has complied with the Corporate Governance requirements under the Act and as stipulated under the Listing Regulations. A separate section on detailed report on the Corporate Governance practices followed by the Company under the Listing Regulations along with a certificate from Hitesh Buch & Associates, Practicing Company Secretaries, confirming the compliance, forms a part of the Annual Report.

**Auditors:****i. Statutory Auditors and Audit Report:**

Mukesh M. Shah & Co, Chartered Accountants (Firm Registration No. 106625W) were appointed as Statutory Auditors from the conclusion of Twenty Sixth AGM of the Company till the conclusion of Thirty First AGM of the Company. They have furnished a declaration confirming their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company.

The Board has duly reviewed the Statutory Audit Report for the Financial Year ended on March 31, 2024 and the observations and comments, appearing in the audit report are self-explanatory and do not call for any further explanation / clarification by the Board in their Report as provided under section 134(3)(f) of the Act.

The Company has received the consent and eligibility certificate from the said Statutory Auditors as required under the Act.

**ii. Cost Auditors:**

Pursuant to the provisions of section 148(3) of the Act read with rule 4 of The Companies (Cost Records and

Audit) Rules, 2014 as amended from time to time, the cost records maintained by the Company in respect of its product 'Nutralite' are required to be audited. The Audit Committee recommended and the Board at its meeting held on May 14, 2024, approved appointment of Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) to audit the cost records of the Company for the Financial Year ending on March 31, 2025 at a remuneration of ₹ 0.34 millions (Rupees Three Hundred Forty Five Thousand only) plus applicable Goods and Services Tax and out of pocket expenses at actuals, if any.

Pursuant to the provisions of section 148 of the Act and rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be placed before the members at General Meeting for ratification. Accordingly, a resolution seeking ratification by the members of the remuneration payable to Dalwadi & Associates, Cost Accountants, is included at Item No. 8 of the Notice convening Thirtieth AGM.

### iii. Secretarial Auditors and Secretarial Audit Report:

Pursuant to the provisions of section 204 of the Act, rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and regulation 24A(1) of the Listing Regulations, the Board has appointed Hitesh Buch & Associates, Practicing Company Secretaries, to undertake Secretarial Audit of the Company for the Financial Year ended on March 31, 2024. The Secretarial Audit Report is annexed herewith as **Annexure-"B"**.

The Board has reviewed the Secretarial Audit Report and is of the opinion that the observations and comments, appearing in the report are self-explanatory and pursuant to the provisions of section 134(3)(f) of the Act, they do not call for any further explanation / clarification by the Board in their Report.

Further, pursuant to the provisions of regulation 24A(1) of the Listing Regulations, the Secretarial Audit Report of ZWPL, the material unlisted subsidiary company is attached herewith as **Annexure-"B1"**.

### iv. Annual Secretarial Compliance Report:

Pursuant to regulation 24A(2) of the Listing Regulations, Hitesh Buch & Associates, Practicing Company Secretaries have issued Annual Secretarial Compliance Report for the Financial Year ended on March 31, 2024. The report was placed before the Board meeting held on May 14, 2024, which is also uploaded on the website of the Company and can be accessed at <https://www.zyduswellness.com/investor/disclosures/g/Annual%20Secretarial%20Compliance%20Report%20ZWL%2031032024.pdf>.

### Cost Accounts and Records:

Pursuant to the provisions of section 148(1) of the Act and Rules made thereunder and as specified by the Central Government, the Company has made and maintained the cost accounts and records.

### Compliance with Secretarial Standards:

During the year under review, 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, issued by the ICSI.

### Business Responsibility and Sustainability Report ("BRSR"):

Pursuant to the provisions of regulation 34(2)(f) of the Listing Regulations, BRSR covering disclosures on Company's performance on ESG (Environmental, Social and Governance) parameters for FY 2023-2024, including BRSR core parameters and Independent reasonable assurance statement issued by Intertek India Private Limited, forms a part of the Annual Report.

### Corporate Social Responsibility ("CSR") and Environment, Social and Governance ("ESG"):

Pursuant to the provisions of section 135 of the Act and rule 5 of The Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**CSR Rules**") made thereunder, the Board has constituted a CSR and ESG Committee under the Chairmanship of Dr. Sharvil P. Patel. The other members of the Committee includes Mr. Ganesh N. Nayak and Mr. Kulin S. Lalbhai. A CSR Policy and ESG Policy have been framed and adopted by the Board and weblink of the same is provided in a separate section in Corporate Governance Report, which forms part of the Annual Report.

As the average net profits of the company calculated as per section 198 of the Act was negative, no contribution towards CSR activities was required to be made for the Financial Year ended on March 31, 2024. Other details on CSR, as required under section 135 of the Act read with the CSR Rules, are given in the Annual Report on CSR Activities annexed herewith as **Annexure-"C"**.

During the Financial Year ended on March 31, 2024 the Company has formulated and adopted: (i) ESG Policy, (ii) Diversity and Inclusion Policy, (iii) Biodiversity Policy, (iv) Environment Policy, (v) Occupational Health and Safety Policy and (vi) Ethical and Responsible Marketing Policy, weblink of the same is provided in a separate section in Corporate Governance Report, which forms part of the Annual Report.

### Business Risk Management:

Pursuant to the provisions of section 134(3)(n) of the Act and regulation 21 of the Listing Regulations, the Company has constituted a Risk Management Committee and adopted the Risk Management Policy. The details of the Committee, terms of reference and weblink of the Policy are set out in the Corporate Governance Report, which forms a part of the Annual Report.

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate them. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

Discussions on risks and concerns are covered in the MDA Report, which forms a part of the Annual Report.

### Internal Financial Control and their adequacy:

Pursuant to the provisions of section 134(5)(e) of the Act read with rule 8(5) of the Account Rules, the Company has designed and implemented a process driven framework for Internal Financial Controls (“IFC”). For the Financial Year ended on March 31, 2024, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls whenever the effect of such gaps would have a material effect on the Company’s operations.

The Company has a well-placed, proper and adequate IFC system, which ensures:

- the orderly and efficient conduct of its business,
- 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.

The Board reviews the effectiveness of controls documented as a part of IFC framework and takes necessary corrective and preventive actions wherever weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology environment.

Based on this evaluation, no significant events had come to notice during the Financial Year ended on March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our IFC. The management has also come to a conclusion

that the IFC and other financial reporting was effective during the Financial Year ended on March 31, 2024 and is adequate considering the business operations of the Company. The Statutory Auditors of the Company have audited the IFC with reference to Financial Reporting and their Audit Report is annexed as an Annexure to the Independent Auditors’ Report under Standalone and Consolidated Financial Statements.

### Managing the risks of fraud, corruption and unethical business practices:

#### i. Vigil Mechanism / Whistle Blower Policy:

The Company has built a reputation for doing business with honesty and integrity and it has zero tolerance for any type of unethical behavior or wrongdoing. The Company has in place a stringent vigil mechanism to report unethical behavior in order to promote professionalism, fairness, dignity and ethical behavior in its employees.

Pursuant to the provisions of section 177(9) of the Act, rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and regulation 22 of the Listing Regulations, the Company has established Vigil Mechanism and framed Whistle Blower Policy for Directors and employees, to report concerns about unethical behaviour, actual or suspected fraud or report instances of leakage of unpublished price sensitive information or violation of the Company’s Code of Conduct or Ethics Policy and Insider Trading Regulations. Whistle Blower Policy is uploaded on the website of the Company and weblink of the same is provided in a separate section in Corporate Governance Report, which forms a part of the Annual Report.

#### ii. Zydus Business Conduct Policy and Anti-Bribery and Anti-Corruption (“ABAC”) Policy:

The Company has framed “Zydus Business Conduct Policy”. Every employee is required to review and sign the policy at the time of joining and an undertaking has to be given for adherence to the Policy. The objective of the Policy is to conduct the business in an honest, transparent and ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

During the year under review, the Company has framed and adopted ABAC Policy. The objective of the ABAC Policy is to prohibit all forms (cash and/or in-kind) of bribery and corruption and it is applicable to all the employees (permanent or contractual), consultants, agents, business partners etc.

### Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in

line with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. Also, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee.

The Company always endeavors to create and provide conducive work environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees, temporaries, trainees, visitors, employees on contract or at client sites and lays down the guidelines for identification, reporting and prevention of sexual harassment.

During the Financial Year ended on March 31, 2024, the Company has not received any complaint of sexual harassment.

### Annual Return:

Pursuant to the provisions of section 92(3) read with section 134(3)(a) of the Act, the Annual Return for the Financial Year ended on March 31, 2024, in the prescribed Form No. MGT-7 is available on the website of the Company at <https://www.zyduswellness.com/investors.php#annual-return>.

### Particulars of Employees:

Pursuant to the provisions of section 197 of the Act read with rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the required information is provided in **Annexure-“D”**.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Pursuant to the provisions of section 134(3)(m) of the Act read with rule 8(3) of the Accounts Rules, information as required to be disclosed on conservation of energy, technology absorption, foreign exchange earnings and outgo is provided in **Annexure-“E”**.

### Others Disclosures:

During the Financial Year ended on March 31, 2024:

- i. Your Directors state that the Company has made disclosures in this report for the items prescribed in

section 134(3) of the Act read with rule 8(3) of the Accounts Rules, to the extent the transactions took place on those items,

- ii. The Company does not propose to transfer any amount to the general reserves,
- iii. The Company has not issued any shares with differential voting rights and sweat equity shares,
- iv. There were no proceedings initiated / pending against your Company under the Insolvency and Bankruptcy Code, 2016,
- v. There were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.
- vi. Apart from what is mentioned in this report, there are no material changes and commitments affecting the financial position of the Company between the end of the Financial Year and the date of this report.
- vii. There is no change in the nature of business.
- viii. No fraud has been reported by the Auditors to the Audit Committee / the Board, pursuant to section 143(12) of the Act.

### Acknowledgement:

Your Directors place on record their sincere appreciation for the continued co-operation and support extended to the Company by various Banks. Your Directors also thank the Trade and Consumers for their patronage to the Company's products. Your Directors also place on record sincere appreciation of the continued hard work put in by the employees at all levels. Your Directors also thank the Company's Vendors, Investors, Business associates, Stock Exchanges, Government of India, State Governments and various departments and Statutory and Government agencies or bodies for their support and co-operation.

By Order of the Board of Directors

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Date: May 14, 2024

Place: Ahmedabad

## Annexure-“A” to the Directors’ Report

## 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)

**Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act, including certain arm’s length transactions under third proviso thereto**

**A. Details of contracts or arrangements or transactions not on an arm’s length basis:**

During the year under review, there are no contracts or arrangements or transactions entered into with related parties, which are not on an arm’s length basis.

**B. Details of material contracts or arrangements or transactions on an arm’s length basis:**

Sr. No.	Name of the Related Party and Nature of Relationship	Nature of contract / arrangement or transaction	Duration of contract / arrangement or transaction	Salient terms of the contract / arrangement or transaction, including value, if any	Date of approval by the Board of Directors	Amount paid as advance, if any
1.	Zydus Wellness Products Limited, a wholly owned subsidiary company	<ul style="list-style-type: none"> <li>Purchase and Sale of goods / services</li> <li>Royalty income</li> <li>Purchase and Sale of movable capital items</li> <li>Reimbursement of expenses</li> </ul>	Ongoing	<p>The related party transactions entered during the financial year were in ordinary course of business and on an arm’s length basis.</p> <p>The aggregate amount of transactions for the financial year was ₹ 2,600.9 millions (Rupees Two Thousand Six Hundred millions Nine Hundred Thousand only)</p>	March 31 2023, May 17, 2023, November 6, 2023	Nil

## Secretarial Audit Report of Zydus Wellness Limited

For the Financial Year ended on March 31, 2024

(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 of

**Zydus Wellness Limited**

(CIN: L15201GJ1994PLC023490)

Zydus Corporate Park, Scheme No. 63, Survey No. 536,

Khoraj (Gandhinagar), Nr. Vaishnodevi Circle,

Sarkhej-Gandhinagar Highway, Ahmedabad – 382481.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zydus Wellness Limited** (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:
  - (i) The Companies Act, 2013 (“the **Act**”) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; and
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”):
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with regard to disclosures thereunder;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable during the period);
  - (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not Applicable during the period);
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the period);
  - (vi) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable during the period);
  - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the period); and
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable during the period)
3. We have relied on the representations made by the Company and its officers for the systems and mechanism formed by the Company for compliances under other general laws and regulations applicable to the Company.
4. The Company has identified and confirmed that following specific laws are applicable to the Company:
  - (i) Food Safety and Standards Act, 2006
  - (ii) Legal Metrology Act, 2009
5. We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
  - (ii) The compliances by the Company with BSE Limited and National Stock Exchange of India Limited pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors/Key Managerial Personnel (“KMP”) that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors/members of the Committees to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items

before the meetings and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that,** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that,** during the audit period there were no major events / actions that were taken up by the Company.

Date: May 14, 2024

Place: Ahmedabad

**Hitesh Buch**

Proprietor

**For, Hitesh Buch & Associates**

Company Secretaries

FCS No.: 3145; C P No.: 8195

Peer Review Cert. No. 1265/2021

UDIN: F003145F000364704

**Note:** This Report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report

## Annexure

To,  
The Members of  
**Zydus Wellness Limited**  
(CIN: L15201GJ1994PLC023490)  
Zydus Corporate Park, Scheme No. 63, Survey No. 536,  
Khoraj (Gandhinagar), Nr. Vaishnodevi Circle,  
Sarkhej-Gandhinagar Highway, Ahmedabad – 382481.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The 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.

Date: May 14, 2024  
Place: Ahmedabad

**Hitesh Buch**  
Proprietor  
**For, Hitesh Buch & Associates**  
Company Secretaries  
FCS No.: 3145; C P No.: 8195  
Peer Review Cert. No. 1265/2021  
UDIN: F003145F000364704



## Annexure-“B1” to the Directors’ Report

**Secretarial Audit Report of Zydus Wellness Products Limited**

For the Financial Year ended March 31, 2024

(Pursuant to section 204(1) of The Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members of  
**Zydus Wellness Products Limited**  
(CIN: U15400GJ2019PLC106866)  
Zydus Corporate Park, Scheme No. 63,  
Survey No. 536, Khoraj (Gandhinagar),  
Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway,  
Ahmedabad – 382481.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zydus Wellness Products Limited** (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:
  - (i) The Companies Act, 2013 (“the **Act**”) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

2. The Company being an unlisted company, the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act are not applicable.
3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.
4. The Company has identified and confirmed that following specific laws are applicable to the Company:
  - (i) Food Safety and Standards Act, 2006
  - (ii) Legal Metrology Act, 2009
5. We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors / Key Managerial Personnel (“**KMP**”) that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision are carried through, while the dissenting members’ views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that**, during the audit period there were no major events / actions that were taken up by the Company.

Date: May 13, 2024

Place: Ahmedabad

**Hitesh Buch**

Proprietor

**For, Hitesh Buch & Associates**

Company Secretaries

FCS No.: 3145; C P No.: 8195

Peer Review Cert. No. 1265/2021

UDIN: F003145F000356542

**Note:** This Report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.

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### Annexure

To,  
The Members of  
**Zydus Wellness Products Limited**  
(CIN: U15400GJ2019PLC106866)  
Zydus Corporate Park, Scheme No. 63,  
Survey No. 536, Khoraj (Gandhinagar),  
Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway  
Ahmedabad – 382481.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The 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.

Date: May 13, 2024

Place: Ahmedabad

**Hitesh Buch**

Proprietor

**For, Hitesh Buch & Associates**

Company Secretaries

FCS No.: 3145; C P No.: 8195

Peer Review Cert. No. 1265/2021

UDIN: F003145F000356542

## Annexure-“C” to the Directors’ Report

## Annual Report on Corporate Social Responsibility (“CSR”) activities

## 1. Brief outline on CSR Policy of the Company:

The Company has framed a CSR Policy in compliance with the provisions of section 135 of the Act and Rules framed thereunder, as amended from time to time. The Company has outlined the following thrust areas in the CSR Policy:

- i) Healthcare / Medical Facility
- ii) Skill Development / Empowerment
- iii) Community Development
- iv) Education / Knowledge Enhancement
- v) Infrastructure Development
- vi) Environment Protection
- vii) Others as may be decided.

## 2. Composition of CSR and ESG Committee:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR and ESG Committee held during the year	Number of meetings of CSR and ESG Committee attended during the year
1	Dr. Sharvil P. Patel	Chairman of CSR and ESG Committee, Non-Executive Director	1	1
2	Mr. Savyasachi S. Sengupta*	Member of CSR and ESG Committee, Independent Director	1	1
3	Mr. Kulin S. Lalbhai**	Member of CSR and ESG Committee, Independent Director	N.A.	N.A.
4	Mr. Ganesh N. Nayak	Member of CSR and ESG Committee, Non-Executive Director	1	1

\* Ceased as a member of the Committee w.e.f. close of business hours on November 1, 2023 on completion of his first term as an Independent Director.

\*\* Inducted as a member w.e.f. August 4, 2023. Hence, he was not eligible to attend the CSR and ESG Committee meeting held on May 17, 2023.

## 3. Provide the web-link where composition of CSR and ESG committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of CSR and ESG Committee: <https://www.zyduswellness.com/investor/Committees%20of%20Board%20-%20Website%20-%2001-11-23.pdf>

CSR Policy: <https://www.zyduswellness.com/investor/CSR-Policy-ZWL-01.02.2021.pdf>

CSR Projects approved by the Board: As the average net profits of the company calculated as per section 198 of the Act was negative, no CSR activities were required to be carried out during the Financial Year ended on March 31, 2024 and hence, no CSR Projects were required to be approved by the Board.

## 4. Provide 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 section 135(5): ₹ (456)\* millions (Rupees Four Hundred Fifty Six millions only).
- (b) Two percent of average net profit of the Company as per section 135(5): ₹ (9)\* millions (Rupees Nine millions only).
- (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): Nil.

\* Amount mentioned in bracket denotes loss.

- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Nil.
- (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)]: Nil.

(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 section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Not Applicable				

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

Sr. No.	Particulars	Amount (₹ in Millions)
i.	Two percent of average net profit of the Company as per section 135(5)	(9)*
ii.	Total amount spent for the Financial Year	Nil
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

\* Amount mentioned in bracket denotes loss.

7. **Details of Unspent CSR amount for the preceding three Financial Years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount	Date of transfer		
Nil								

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:

Sr. 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							

9. **Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5):** Not Applicable.

**Dr. Sharvil P. Patel**

Chairman of the Board and CSR and ESG Committee

DIN: 00131995

Date: May 14, 2024

Place: Ahmedabad

**Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Date: May 14, 2024

Place: Ahmedabad

## Annexure-“D” to the Directors’ Report

**Details pertaining to remuneration as required under section 197(12)  
of the Companies Act, 2013 read with Rule 5(1) of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- a. **The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:**

Name of the Director	Ratio of each Director to the median remuneration of the employee
Dr. Sharvil P. Patel	1.32
Ms. Dharmishtaben N. Raval	2.64
Mr. Srivishnu R. Nandyala	2.83
Mr. Akhil A. Monappa	2.26
Mr. Kulin S. Lalbhai	2.08
Mr. Ganesh N. Nayak	1.89
Mr. Ashish P. Bhargava	Not applicable, as no remuneration was paid
Mr. Tarun Arora	22.48

- b. **The percentage increase in remuneration of each Director, Chief Financial Officer and the Company Secretary in the Financial Year:**

Name of the Director, Chief Financial Officer and the Company Secretary	% increase / decrease in the remuneration in the Financial Year
Dr. Sharvil P. Patel	-12.5%*
Ms. Dharmishtaben N. Raval	0.0%
Mr. Srivishnu R. Nandyala	-11.8%*
Mr. Akhil A. Monappa**	N.A.
Mr. Kulin S. Lalbhai	-35.3%*
Mr. Ganesh N. Nayak	-16.7%*
Mr. Ashish P. Bhargava	Not applicable, as no remuneration was paid
Mr. Tarun Arora	-5.0%
Mr. Umesh V. Parikh, Chief Financial Officer	3.7%
Mr. Nandish P. Joshi, Company Secretary	Not applicable ***

\* The decrease in percentage of remuneration is due to less no. of Committees Meetings / the Director has attended less no. of Committee / Board Meetings held during the Financial Year 2023-2024 as compared to the previous Financial Year.

\*\* Appointed as an Independent Director w.e.f. May 17, 2023.

\*\*\* Mr. Nandish P. Joshi was appointed as a Company Secretary w.e.f. July 29, 2022. Hence, remuneration is not comparable with the previous financial year.

- c. The percentage increase in the median remuneration of employees in the Financial Year was 7.6%.
- d. There were 1,008 permanent employees on the roll of the Company (including employees of subsidiaries) as on March 31, 2024.
- e. The consolidated profit before tax, for the Financial Year ended on March 31, 2024 decreased by 10.6% and the average increase in remuneration of employees was 7.9%.
- f. The consolidated profits before tax for the Financial Year ended on March 31, 2024 decreased by 10.6% and the remuneration of Key Managerial Personnels, viz. (1) Mr. Tarun Arora, CEO & Whole Time Director and (2) Mr. Umesh V. Parikh, Chief Financial Officer decreased and increased by 5.0% and 3.7% respectively. Mr. Nandish P. Joshi was appointed as the Company Secretary with effect from July 29, 2022. Hence, remuneration is not comparable with the previous financial year.
- g. The average annual increase in the salaries of the employees, other than managerial personnel was 7.9%, whereas the weighted average decrease in the managerial remuneration was (0.6)% for the Financial Year ended on March 31, 2024. The increase in remuneration was on the recommendation of NRC considering the performance of the managerial personnel and the Company.

- h.** The members have, at the Annual General Meeting of the Company held on July 31, 2019 approved the payment of commission to the Non-Executive Directors within the ceiling of 1.0% of the Net Profits of the Company, subject to maximum of ₹ 15 millions (Rupees Fifteen millions only) in aggregate for each financial year, as computed under the applicable provisions of the Act. The said commission is decided each year by the Board and distributed amongst the Non-Executive Directors. The Board, based on the performance of the Company and on the recommendation of NRC, has approved payment of Commission of ₹ 0.50 millions (Rupees Five Hundred Thousand only) to each ID of the Company, except Mr. Savyasachi S. Sengupta who was paid proportionate commission of ₹ 0.32 millions (Rupees Three Hundred Twenty Five Thousand only) on completion of his term as an ID of the Company w.e.f. close of business hours on November 1, 2023.
- i.** There was no employee receiving remuneration higher than the highest paid Director during the Financial Year ended on March 31, 2024.
- j.** The Company affirms that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.
- k.** 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 which forms a part of the Annual Report. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. The Annual Report is being sent to the members excluding the aforesaid separate annexure. Any member interested in obtaining a copy of the same may write to the Company Secretary.

By Order of the Board of Directors

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Date: May 14, 2024

Place: Ahmedabad

## Annexure-“E” to the Directors’ Report

**Information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as provided under section 134(3)(m) of The Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014**

**A. Conservation of Energy:**

1. Steps taken or impact on conservation of energy	<ul style="list-style-type: none"> <li>Replacement of air compressor of lower capacity to higher capacity, which resulted in 35.0% reduction of manufacturing batch loading time and contributed in annual savings of 66,000 KWH.</li> <li>Initiated ammonia compressor operation through VFD (variable frequency drive) resulted in annual savings of 44,000 KWH.</li> <li>Converted scattered manufacturing activities of Fat Spread product into centralized manufacturing activities and ensured fat Spread product line temperature consistency, which resulted into annual saving of ₹ 2 millions (Rupees Two millions only) and 0.15 millions KWH units.</li> </ul>
2. Steps taken for utilization of alternate sources of energy	Nil
3. Capital Investment on energy conservation equipments	₹ 3.75 millions (Rupees Three millions Seven Hundred Fifty Thousand only)

**B. Technology absorption:**

1. Efforts made towards technology absorption	<ul style="list-style-type: none"> <li>Upgradation of mayonnaise manufacturing technology.</li> <li>Ordered imported manufacturing skid.</li> </ul>
2. Benefits derived	<ul style="list-style-type: none"> <li>Savings in energy and cost.</li> <li>In-process quality improvement.</li> </ul>
3. Details of technology imported in last three years	No technology was imported in last three years.
a. Details of technology imported	
b. Year of import	
c. Whether the technology been fully absorbed	
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
4. Expenditure incurred on Research and Development	₹ 21 millions (Rupees Twenty One millions).

**C. Foreign exchange earnings and outgo:**

During the Financial Year ended March 31, 2024, the foreign exchange earned in terms of actual inflow was ₹ 31 millions (Rupees Thirty One millions only), whereas the foreign exchange in terms of actual outflow was ₹ 5 millions (Rupees Five millions only).

By Order of the Board of Directors

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Date: May 14, 2024

Place: Ahmedabad

# CORPORATE GOVERNANCE REPORT

## Company's Philosophy on Corporate Governance:

Zydus Wellness Limited ("the **Company**") believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. Therefore, we have designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, Executive, Non-Executive and Independent Directors on the Board of Directors ("the **Board**"), adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**").

## Transparency

We believe that transparency is important for healthy and self-sustaining growth. It also promotes deep and long-standing trust amongst our stakeholders. We endeavour to demonstrate highest levels of transparency.

## Fairness

We practice fair play and integrity in our transactions with all the stakeholders. We conduct ourselves in an equitable manner.

## Accountability

We believe that accountability is about holding ourselves responsible for what we do. By means of openness and transparency, we consider ourselves accountable to the entire universe of stakeholders including our employees, members, vendors, government agencies, regulators, society, customers, business partners, and suppliers.

## 1. Governance Structure:

The governance structure of the Company comprises of the Board, the Committees of the Board at the top level and the internal governance structure at the operational level. The responsibility of the Board is to determine the overall corporate objectives and give direction and freedom to the management to achieve those objectives within a given framework. The organizational and governance structure enables an environment for value creation through sustainable and profitable growth.

The governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibilities.

The primary role of the Board is to protect the interest and enhance the value for all the stakeholders. It conducts the overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision making process to be followed.

Under the overall supervision and control of the Board, the Chief Executive Officer ("**CEO**") & Whole Time Director ("**WTD**") is accountable for the overall working of the Company. The Board gives strategic directions, lays down the policy guidelines and the CEO & WTD ensures the implementation of the decisions of the Board and its Committees.

The governance system encourages the entrepreneurship, risk taking and growth orientation with an objective to lead full accountability enabled by appropriate empowerment.

## 2. Board of Directors:

The Board has the ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The CEO & WTD looks after the day-to-day business affairs of the Company. The Board reviews the overall business operations atleast once in a quarter based on updates on the Company's performance provided by the CEO & WTD and the Chief Financial Officer.

### a. Composition of the Board:

The Composition of the Board, with reference to the number of Executive and Non-Executive Directors, meets with the requirements of the Code of Corporate Governance. The Board is headed by the Non-Executive Chairman, Dr. Sharvil P. Patel, who is also a Promoter Director. As at March 31, 2024, your Company's Board comprised of 8 (eight) Directors; which includes 1 (one) Executive Director and 7 (seven) (i.e. 87.5%) Non-Executive Directors, comprising of 4 (four) Independent Directors ("**IDs**") [which also includes 1 (one) Woman Director] and 1 (one) Nominee Director, who have considerable experience in their respective fields.

As required under the provisions of section 149(1) of The Companies Act, 2013 ("the **Act**") and Rules made thereunder and regulation 17 of the Listing



Regulations, the constitution of the Board meets with the requirements stated therein. Non-Executive Directors and IDs have expert knowledge in the fields of consumer business, finance, taxation, information technology, sustainability and Environment, Social and Governance (“ESG”), legal and Industry. Thus, the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise and enable the Board to discharge its responsibilities and provide effective leadership to the business.

**Various details of the Board and its Committees are provided in the below table as at March 31, 2024:**

<b>Board Composition</b>	
<b>Board size</b>	<b>8</b>
Non-Independent Directors	4
Independent Directors	4
<b>Gender Diversity</b>	
Women	12.5%
Men	87.5%
Average Age	52 years
Average Board Tenure	8 years
Average Tenure – Independent Directors	5 years
Number of Board Meetings	4
Board Attendance %	90.9%
Number of Committee Meetings	45
Committee Attendance %	87.3%
<b>Age Diversity</b>	
30-39	12.5%
40-49	25.0%
50-59	37.5%
60-69	25.0%
<b>Board Chairperson</b>	Non-Executive Director
<b>Separate role of Chairperson &amp; WTD</b>	Yes
<b>Board Evaluation</b>	Annual
<b>Board Re-election</b>	
Independent Directors	Fixed term of 5 years (upto 2 terms)
Executive & Non-Executive Directors	Annual retirement by rotation (1/3 <sup>rd</sup> of 2/3 <sup>rd</sup> )
Audit Committee Independence	67.0%
NRC Independence	75.0%

Mr. Savyasachi S. Sengupta ceased as a Director of the Company on completion of his first term as an ID w.e.f. close of business hours on November 1, 2023.

IDs are Non-Executive Directors as defined under regulation 16(1)(b) of the Listing Regulations read with section 149(6) of the Act read with Rules made thereunder. Pursuant to the provisions of regulation 25(8) of the Listing Regulations, the IDs have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impact or impair their ability to discharge their duties. Based on the declarations received from the IDs, the Board has confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations and section 149(6) of the Act and that they are independent of the management.

The Board, based on the declarations received from IDs, has verified the veracity of such disclosures and confirmed that the IDs fulfill the conditions of independence specified in the Listing Regulations and are independent of the management of the Company.

There were no conflict of interest of IDs with the Company.

None of the ID-

- i. is employed by the Company in an executive capacity in last 5 (five) years,
- ii. is a family member of an individual who is or during last 3 (three) years was employed by the Company, Parent Company or any subsidiary company as an executive officer,
- iii. is an advisor or consultant to the Company or a member of the Company's senior management,
- iv. is affiliated with a significant customer or supplier of the Company,
- v. have any personal service contract with the Company or a member of the Company's senior management,
- vi. is affiliated with a not-for-profit entity that receives significant contributions from the Company,

- vii. is a partner or employee of the Company's statutory auditor during the past 3 (three) years,
- viii. accepts or have a family member who accepts any payments from the company or any subsidiary company,
- ix. have any other conflict of interest that the Board itself determines to mean that he/she cannot be considered independent.

The Company shall always maintain a minimum of 50.0% IDs on the Board of the Company.

The CEO & WTD is not serving as an ID in any listed company.

**b. Board Skills / Expertise / Competencies:**

Company's Board is a skill-based board comprising of Directors who collectively have the skills,

The above core skills / expertise / competencies identified by the Company are also actually available with the Board as under:

Sr. No.	Name of the Director	Skills actually available with the Directors
1.	Dr. Sharvil P. Patel	Knowledge and expertise in pharmaceuticals and Fast Moving Consumer Goods segment ("FMCG"), sustainability and ESG, manufacturing, finance, marketing, business and management.
2.	Ms. Dharmishtaben N. Raval	Knowledge and expertise in finance and law.
3.	Mr. Srivishnu R. Nandyala	Knowledge and expertise in manufacturing, marketing, finance, business and management.
4.	Mr. Akhil A. Monappa	Knowledge and expertise in sustainability and ESG, information technology, finance, marketing, business and management.
5.	Mr. Kulin S. Lalbhai	Knowledge and expertise in sustainability and ESG, finance, business and management, FMCG and consumer business.
6.	Mr. Ganesh N. Nayak	Knowledge and expertise in pharmaceuticals and FMCG, manufacturing, marketing, finance, business and management.
7.	Mr. Ashish P. Bhargava	Knowledge and expertise in sustainability and ESG, finance, marketing, business and management, FMCG and consumer business.
8.	Mr. Tarun Arora	Knowledge and expertise in sustainability and ESG, FMCG, finance, manufacturing, marketing and communications, business management, information technology / cybersecurity and human resource.

The eligibility of a person to be appointed as a Director of the Company is dependent on possession of the requisite skills, as identified by the Board.

**c. Board Meetings / Directors' particulars:**

Pursuant to regulation 17(2) of the Listing Regulations and section 173(1) of the Act, the Board meets at least once in each quarter and the gap between any 2 (two) Board meetings was not more than 120 (one hundred twenty) days. During the Financial Year ended on March 31, 2024, 4 (four) Board meetings were held on May 17, 2023, August 3, 2023, November 6, 2023 and February 8, 2024. Out of them, 2 (two) meetings were held through hybrid mode and 2 (two) meetings were held physically at the registered office of the Company. Necessary quorum was present during all the meetings.

knowledge and experience to effectively govern and direct the organisation.

The Board has identified the below mentioned core skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

- Knowledge and/or expertise in one or more of areas like consumer business, manufacturing, accounts, finance, taxation, banking, human resource, information technology, sustainability and ESG, marketing, law, business and management.

This criteria is designed to ensure the Board consists of individuals with a balance of skills to oversee the organisation, achieve the strategic goals and direct the organisation's future.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly / half yearly / yearly unaudited / audited financial results, audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure and ensures compliance with applicable laws and regulations. It monitors overall performance of the Company and reviews performance of its subsidiaries. The Agenda for the Board meeting covers items set out as guidelines in regulation 17 of the Listing Regulations to the extent the same are applicable and relevant. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

The Board meetings are scheduled well in advance to facilitate the Directors to plan their schedule and to ensure meaningful participation in the meetings. The physical meetings are usually held in Ahmedabad, where the Registered Office of the Company is situated. The Chief Financial Officer and the Company Secretary in consultation with the Chairman and CEO & WTD prepares detailed agenda for the meetings. Directors are also free to bring up any matter for discussion at the Board meetings with the permission of the Chairman. Any other business, which may come up after circulation of agenda papers is placed before the Board by way of table agenda with the permission of the Chairman and with the consent of the majority of the Directors. In case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted under the law, which is ratified in the subsequent Board meeting. The Board approved 3 (three) resolutions by circulation, vide circulars dated June 30, 2023, October 24, 2023 and March 30, 2024.

Moreover, certain urgent matters are also being taken up at a Board meeting which are held at a shorter notice. With the unanimous consent of the Board, unpublished price sensitive information ("UPSI"), is circulated to Directors at a shorter notice.

The Company Secretary is responsible for convening Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees and ensures appropriate recording of the minutes of the meetings.

Whenever necessary, video conferencing facilities are also used to facilitate Directors residing at other locations to participate in the meetings.

The draft minutes of the meetings approved by the Chairman is circulated to all the Directors within 15 (fifteen) days after the conclusion of the meetings. Comments, if any, received from the Directors are incorporated in the minutes, in consultation with the Chairman. Decisions taken at the Board / Committee meetings are communicated to the concerned departments promptly for actions and an Action Taken Report of the status on the decisions taken is placed, for the information of the Board / Committee at the next meeting. The minutes of all committee meetings are placed in the next Board meeting for their noting.

The Board has a complete access to the information within the Company, which inter-alia includes –

1. Annual revenue and capital expenditure plans / budgets,
2. Quarterly results and results of operations of the Company and its subsidiaries,
3. All borrowings, investments, loans and guarantees,
4. Minutes of the meetings of the Board, Committees of the Board and minutes of the Indian subsidiary companies,
5. Quarterly report on any fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems,
6. Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any,
7. Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company, and
8. Compliance or non-compliance of any regulatory, statutory nature or listing requirements and matters related to investors' services such as non-payment of dividend, delay in transfer of shares, etc.

The IDs play an important role in the deliberations in the Board meetings and bring with them rich expertise in the field of FMCG, manufacturing, marketing, finance, law, sustainability and ESG and other areas.

While constituting the Committee of the Board, the requirements that a Director shall not be a member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees have been ensured and complied with. None of the IDs served as an ID in more than 7 (seven) listed companies. None of the Directors of the Company hold Directorship in more than 20 (twenty) companies, including 10 (ten) public companies. All Directors of the Company except the IDs and Nominee Director are liable to retire by rotation. During the year, none of the IDs of the Company had resigned before the expiry of their respective tenure(s). Mr. Savyasachi S. Sengupta ceased as a Director of the Company on completion of his first term as an ID w.e.f. close of business hours on November 1, 2023. None of the Directors of the Company are related inter-se.

The following table provide details of name of the Director, category and position, age and original date of appointment, tenure, attendance of the Director at the Board meetings and last AGM, Chairmanship / Membership in other Board Committees and number of other Directorships held in Indian Public Limited Companies (other than the Company) as at March 31, 2024.

Name of the Director	Category and Position	Age and Original date of appointment	Tenure (in years)	No. of Board meetings		Whether attended last AGM (Yes / No)	Member (Chairman) <sup>1</sup> Board Committees <sup>2</sup>	Number of other Directorships held
				Held	Attended			
Dr. Sharvil P. Patel	Non-Executive Chairman	45 years April 27, 2009	15	4	4	Yes	1	6
Ms. Dharmishtaben N. Raval	Non-Executive and Independent Woman Director	68 years March 11, 2019	5	4	4	Yes	3(2)	4
Mr. Srivishnu R. Nandyala	Non-Executive and Independent Director	50 years March 11, 2019	5	4	4	Yes	3(1)	1
Mr. Akhil A. Monappa <sup>3</sup>	Non-Executive and Independent Director	45 years May 17, 2023	1	2 <sup>4</sup>	4	Yes	1	1
Mr. Kulin S. Lalbhai	Non-Executive and Independent Director	38 years November 18, 2016	8	2	4	Yes	2(1)	4
Mr. Ganesh N. Nayak	Non-Executive Director	68 years July 27, 2006	18	4	4	Yes	2(1)	2
Mr. Ashish P. Bhargava	Nominee Director	52 years January 30, 2019	5	4	4	Yes	1	1
Mr. Tarun Arora	CEO and WTD	52 years May 14, 2015	9	4	4	Yes	1	4

1. Figures in ( ) indicate the number of Board Committees of which a Director is a Chairman / Chairperson.
2. Board Committees means Audit Committee and Stakeholders' / Investors' Relationship Committee.
3. Appointed as an Independent Director w.e.f. May 17, 2023.
4. Eligible to attend 3 (three) meetings only.

The following table gives the names of the listed companies where the Directors of the Company are Directors and the category of their respective Directorships:

Sr. No.	Name of the Director	Name of the listed companies in which the Director of the Company is a Director	Category of Directorship in the listed companies
1.	Dr. Sharvil P. Patel	Zydus Lifesciences Limited	Managing Director
2.	Ms. Dharmishtaben N. Raval	Zydus Lifesciences Limited NOCIL Limited	Independent Director Independent Director
3.	Mr. Srivishnu R. Nandyala	Amara Raja Batteries Limited	Independent Director
4.	Mr. Akhil A. Monappa	Zydus Lifesciences Limited	Independent Director
5.	Mr. Kulin S. Lalbhai	Arvind Limited Arvind Smartspaces Limited Arvind Fashions Limited	Executive Director Non-Executive Director Non-Executive Director
6.	Mr. Ganesh N. Nayak	Zydus Lifesciences Limited	Executive Director
7.	Mr. Ashish P. Bhargava	None	-
8.	Mr. Tarun Arora	None	-

**d. Familiarization Programme:**

At the time of appointment of an ID, a formal letter of appointment is given to him / her, which inter-alia explains the roles, functions, duties and responsibilities expected from him / her as a Director of the Company. All our Directors are aware and also updated, whenever required, of their roles, responsibilities, liabilities and obligations under the provisions of Schedule IV of the Act, and Rules made thereunder and regulation 25 of the Listing Regulations.

A presentation on familiarization programme made to the IDs of the Company is posted on the website of the Company. The link of the same is provided separately under this report.

**e. Evaluation:**

During the year, the Nomination and Remuneration Committee ("NRC") / Board have carried out evaluation of its own performance and the performance of the committees of the Board, IDs, Directors and the Chairman of the Board.

Evaluation Sheets for evaluation of above were circulated to all the Directors and duly filled evaluation sheets of all the Directors were submitted to the Chairman of the Board.

The Board has evaluated the composition of the Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters, etc. with an aim to improve their effectiveness.

Performance evaluation of individual Directors and the Chairman of the Board was also carried out in terms of their respective attendance at Board / Committee meetings, contributions at the meetings, circulation of sufficient documents and information to the Directors, timely availability of the agenda, etc. Directors were satisfied with the evaluation on different criteria.

Performance evaluation of IDs, was also carried out which included, preparedness and information about the Board / Committee meetings, attendance at different meetings, preparedness to devote sufficient time for the meetings, relationship with the Chairman, other board members, KMP and senior management personnel, updating knowledge with latest developments in regulatory and market conditions and expressing views on specialized agenda items and the statutory requirement being the fulfillment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who were subject to evaluation did not participate in the proceedings of the meeting.

**3. Committees of the Board:**

The Board currently has the following Committees:

- A) Audit Committee;
- B) Nomination and Remuneration Committee;
- C) Corporate Social Responsibility and Environment Social and Governance Committee;
- D) Risk Management Committee;
- E) Stakeholders' / Investors' Relationship Committee;
- F) Share Transfer Committee; and
- G) Finance and Administration Committee

The terms of reference of the Committees of the Board are determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of the Committees of the Board are convened by the Chairman / Chairperson of the respective Committee, pursuant to the statutory provisions of the Act and the Listing Regulations.

The Committees operate under the direct supervision of the Board. Normally, the committee meetings are held prior to the Board meeting and the Chairman of the respective Committee reports to the Board about the deliberations and decisions taken by the committees.

**A. Audit Committee:****I. Terms of Reference:**

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible,
2. Recommendation for appointment (including re-appointment), removal, remuneration and terms of appointment of statutory, internal (chief internal auditor) and cost auditors after due consideration of their independence and effectiveness,
3. Review with the management the quarterly / half-yearly / annual, unaudited / audited financial results, statements and limited review report / audit reports of the Statutory Auditors before recommending for approval by the Board with particular reference to matters required to be included in the director's responsibility statement to be included in the Director's report in terms of section 134(3)(c) of the Act,
4. Review changes in the accounting policies, major accounting estimates based on exercise of judgment by the management, significant

- adjustments made in the financial statements, compliance with listing and other legal requirements relating to financial statements, disclosure of related party transactions, modified opinion, if any, in the draft audit report,
5. Review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency about monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter,
  6. Review Management Discussion and Analysis of financial and operational performance,
  7. Review inter-corporate loans and investments,
  8. Review with the management the performance of statutory and internal auditors,
  9. Review the adequacy and effectiveness of internal financial controls and systems,
  10. Review and discuss with the management major financial risk exposures and steps taken to monitor and control them,
  11. Overseeing and review the functioning of vigil mechanism (implemented by the Company as Whistle Blower Policy),
  12. Review the scope of the Internal Auditors and Audit Plan to ensure reasonable coverage of different areas of operations,
  13. Review, discuss and monitor the observations reported by Statutory / Internal Auditors and their compliance,
  14. Review the findings of any internal investigation by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board,
  15. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern,
  16. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors,
  17. Approve the payment towards additional services rendered by the Statutory Auditors except those enumerated in section 144 of the Act,
  18. Review Cost Audit Report submitted by the Cost Auditors,
  19. Approve, and / or subsequent modification, if any, in the Related Party Transactions and grant omnibus approval for certain related party transactions, which are in the ordinary course of business and on an arm's length basis,
  20. Approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate,
  21. Review utilization of loans and / or advances from / investment by the Holding Company in the subsidiary in excess of ₹ 1,000 millions (Rupees One Thousand millions only) or 10.0% of the asset size of the subsidiary, whichever is lower,
  22. Supervise implementation of Insider Trading Code and policies relating thereto,
  23. Valuation of undertakings or assets of the Company, wherever necessary,
  24. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc. on the Company and its members,
  25. Review management letters / letters of internal control weaknesses issued by the statutory auditors,
  26. Review quarterly statement of deviations including report of monitoring agency, if applicable and annual statement of funds utilized for the purposes other than those stated in the offer document / prospectus / notice in terms of regulation 32(7) of the Listing Regulations.

The Audit Committee ensures that it has reviewed each area that it is required to review under the terms of reference. Every quarter, the Audit Committee is presented with a summary of audit observations and follow up actions thereon.

The Audit Committee periodically reviewed and noted all related party transactions. Majority of the related party transactions were between the Company and its subsidiaries / associates. All the related party transactions were in the ordinary course of business and on an arm's length basis. The Audit Committee ratified all the related party transactions entered into by the Company during

the Financial Year ended on March 31, 2024. The Audit Committee granted omnibus approval for the related party transactions to be entered into by the Company during the Financial Year ending on March 31, 2025. The Company did not enter into any related party transactions that required approval of the members.

Pursuant to the provisions of regulation 23(2) of the Listing Regulations, only IDs participated in the agenda item and approved the related party transactions.

The Audit Committee also took a note of the material subsidiary of the Company.

## II. Composition, meetings held and attendance at the meetings during the year:

During the Financial Year ended on March 31, 2024, 4 (four) Audit Committee meetings were held on May 17, 2023, August 3, 2023, November 6, 2023 and February 8, 2024. The time gap between any 2 (two) meetings was less than 120 (one hundred twenty) days. The composition of the Audit Committee as at March 31, 2024 and details of the attendance of the members at the meetings of the Committee are as under:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Ms. Dharmishtaben N. Raval, Chairperson	Non-Executive and Independent		4
Mr. Srivishnu R. Nandyala	Non-Executive and Independent		4
Mr. Akhil A. Monappa*	Non-Executive and Independent	4	1 <sup>@</sup>
Mr. Kulin S. Lalbhai	Non-Executive and Independent		2
Mr. Ganesh N. Nayak	Non-Executive		4
Mr. Ashish P. Bhargava	Nominee		4

\* Inducted as a member of the Committee w.e.f. August 4, 2023 and Mr. Savyasachi S. Sengupta ceased to be member of the Committee on completion of his first term as an ID w.e.f. close of business hours on November 1, 2023.

@ Entitled for attending 2 (two) meetings only.

All the members of the Audit Committee have requisite qualification for appointment as a member of the Committee and possess sound knowledge of accounting practices as well as financial and internal controls.

The Chairperson of the Audit Committee attended the Annual General Meeting (“AGM”) of the Company held on August 3, 2023 to respond to the queries of the members.

## III. Invitees in the Audit Committee Meetings:

The representative(s) of the Statutory and the Internal Auditors are regularly invited and they have attended all the Audit Committee meetings held during the Financial Year ended on March 31, 2024. The representative of the Cost Auditors attends the Audit Committee meeting, where the Cost Audit Report is tabled for discussion. The CEO & WTD and the Chief Financial Officer are invited to attend and participate in these meetings. The Company Secretary acts as a Secretary to the Committee.

The Company continues to derive benefit from the deliberations of the Audit Committee meetings as the members are experienced in the areas of finance, corporate laws and FMCG industry. It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

## B. Nomination and Remuneration Committee:

In compliance with the provisions of section 178(1) of the Act and regulation 19 of the Listing Regulations, the Board has constituted the NRC. The terms of reference of the NRC are specified in Para A of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

### I. Terms of reference:

The functions of NRC, inter alia, include the following:

- To identify the persons, who are qualified to become Directors of the Company or who may be appointed in Senior Management and recommend to the Board their appointment and removal,
- For appointment of ID, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of role and capabilities of an ID,
- For re-appointment of ID, to decide whether to extend or continue the term of appointment, on the basis of the report of performance evaluation of IDs,
- To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to

the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel ("KMP") and other employees,

5. To formulate criteria for evaluation of performance of ID and the Board,
6. To recommend to the Board, all remuneration, in whatever form, payable to Non-Executive Directors, KMP and Senior Management,

7. To ensure the level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks,
8. To develop and review the succession plan for the Board, and
9. To devise a policy on diversity of Board of Directors.

## II. Composition, meeting held and attendance at the meeting during the year:

During the Financial Year ended on March 31, 2024, 1 (one) NRC meeting was held on May 17, 2023. All members of the Committee are Non-Executive Directors and amongst them 3 (three) are IDs. The composition of the NRC as at March 31, 2024 and details of the attendance of the members at the meeting of the Committee are as under:

Name of the Member	No. of Meeting held	No. of Meeting attended
Mr. Kulin S. Lalbhai, Chairman		0
Ms. Dharmishtaben N. Raval*	1	N.A.
Mr. Srivishnu R. Nandyala		1
Mr. Ashish P. Bhargava		1

\* Inducted as a member of the Committee w.e.f. August 4, 2023 and Mr. Savyasachi S. Sengupta ceased to be member of the Committee on completion of his first term as an ID w.e.f. close of business hours on November 1, 2023.

The Company Secretary acts as a Secretary to the Committee. The Chairman of the NRC attended the AGM of the Company held on August 3, 2023.

## III. Nomination and Remuneration Policy and details of remuneration paid / payable to the Directors for the year ended March 31, 2024:

The Board approved the Nomination and Remuneration Policy on the recommendation of NRC, which is available on the website of the Company and the weblink of the same is provided separately in this report. The salient aspects of the said Policy are outlined below:

### a. Objectives:

1. To guide the Board in relation to the appointment and removal of Directors and Senior Management, which includes KMP,
2. To evaluate the performance of the Board, its Committees and individual Directors and provide necessary report to the Board in this regard, and
3. To recommend to the Board remuneration payable to the Directors and Senior Management.

The Company follows the policy for payment of remuneration to the Directors, KMP and Senior Management.

### b. Remuneration to the Non-Executive Directors:

- i) A Non-Executive Director is paid sitting fees for each meeting of the Board or Committee of the Board attended by him / her, of such sum as may be approved by the Board within the

overall limits prescribed under the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board has approved the payment of sitting fees of ₹ 0.10 millions (Rupees One Hundred Thousand only) to each Non-Executive Director towards each of the Board / Committee meetings attended by them. Normally, the sitting fees is paid immediately after the Board or Committee meetings, to those who have attended the meetings.

- ii) IDs are also paid commission on an annual basis, of such sum as may be recommended by the NRC and approved by the Board. The total commission payable to the IDs does not exceed 1.0% of the net profit of the Company and subject to maximum of ₹ 15 millions (Rupees Fifteen millions only) in aggregate for each financial year, being the limit approved by the members. In case of loss or if profits are inadequate, the IDs are entitled to receive remuneration, subject to the provisions of the Act. The Board, based on the performance of the Company and on the recommendation of NRC, has approved payment of Commission of ₹ 0.50 millions (Rupees Five Hundred Thousand only) to each ID, except Mr. Savyasachi S. Sengupta who was paid proportionate commission of ₹ 0.32 millions (Rupees Three Hundred Twenty Five Thousand only) on completion of his term as an ID of the Company w.e.f. close of business hours on November 1, 2023.



- iii) In determining the quantum of commission payable to the IDs, the NRC considers the overall performance of the Company and the onerous responsibilities required to be shouldered by the IDs.
- iv) ID's are also reimbursed the expenses incurred by him / her for attending the Board / Committee / member's meetings.
- v) Apart from the above, there are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the Financial Year ended on March 31, 2024.
- vi) The Parent Company has taken a Directors' and Officers' Liability Insurance Policy, which also includes the Directors of the Company.

**c. Re-appointment and Remuneration of CEO & WTD:**

Mr. Tarun Arora was re-appointed as CEO & WTD of the Company for a period of five years with effect from May 7, 2020 and his tenure of appointment will expire on May 6, 2025.

The Board based on the recommendation of NRC at its meeting held on May 14, 2024 and subject to approval of members at the ensuing AGM, has re-appointed Mr. Arora as a CEO & WTD, for a further period of 5 (five) years, with effect from May 7, 2025 to May 6, 2030.

On the recommendation of the NRC, the Board ratified the remuneration of ₹ 11.92 millions (Rupees Eleven millions Nine Hundred Twenty Thousand only) paid to him by way of salary and allowances for the Financial Year ended on March 31, 2024, which was within the ceiling provided under section 198 and Schedule V of the Act. Mr. Tarun Arora is also a WTD of Zydus Wellness Products Limited ("ZWPL"), a wholly owned material subsidiary company.

The Board of ZWPL ratified the remuneration of ₹ 58.67 millions (Rupees Fifty Eight millions Six Hundred Seventy Thousand only) paid to him by way of salary and allowances for the Financial Year ended on March 31, 2024, which was within the ceiling fixed by the members. In aggregate, Mr. Tarun Arora was paid remuneration of ₹ 70.59 millions (Rupees Seventy millions Five Hundred Ninety Thousand only) from the Company and ZWPL for the Financial Year ended on March 31, 2024.

The Company has entered into an agreement with Mr. Tarun Arora for his employment as CEO & WTD for a period of 5 (five) years upto May 6, 2025. The Company shall enter into new agreement with Mr. Tarun Arora for a further period of five years w.e.f. May 7, 2025, subject to approval of his re-appointment by the members at the ensuing AGM. Either party to an agreement is entitled to terminate the agreement by giving not less than 3 (three) months' notice in writing to the other party.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria fixed by the Board / NRC.

**d. Remuneration to Senior Management:**

The CEO & WTD with the help of HR Head carry out the review of individual performance based on the standard appraisal matrix and after taking into account the appraisal score card and other factors like–Key Performance Area v/s initiatives, balance between fixed and variable pay, fixed components and perquisites and retirement benefits, criticality of roles and responsibilities, industry benchmarks and current compensation trends in the market. Further, any promotion at a senior level management is approved by the Management based on predetermined process after assessing the candidate's capability to shoulder higher responsibility.

- e. Details of the commission / sitting fees paid to the Independent / Non-Executive Directors for the Financial Year ended on March 31, 2024 are given below:

₹ in Millions

Name of the Independent / Non-Executive Director	Sitting Fees							Total
	Commission	Board Meetings	Audit Committee Meetings	CSR & ESG Committee Meetings	NRC Meetings	Investors' / Stakeholders' Relationship Committee Meetings	Other Meetings *	
Dr. Sharvil P. Patel	-	0.40	-	0.10	-	-	0.20	<b>0.70</b>
Mr. Savyasachi S. Sengupta**	0.32	0.20	0.20	0.10	0.10	0.10	0.10	<b>1.12</b>
Ms. Dharmishtaben N. Raval	0.50	0.40	0.40	-	-	-	0.10	<b>1.40</b>
Mr. Srivishnu R. Nandyala	0.50	0.40	0.40	-	0.10	-	0.10	<b>1.50</b>
Mr. Akhil A. Monappa***	0.50	0.30	0.10	-	-	-	0.30	<b>1.20</b>
Mr. Kulin S. Lalbhai	0.50	0.20	0.20	-	-	-	0.20	<b>1.10</b>
Mr. Ganesh N. Nayak	-	0.40	0.40	0.10	-	0.10	-	<b>1.00</b>

\* Other Meetings include Separate Meeting of Independent Directors and Risk Management Committee Meeting.

\*\* Mr. Savyasachi S. Sengupta ceased to be a Director of the Company on completion of his first term as an ID w.e.f. close of business hours on November 1, 2023.

\*\*\* Appointed as an ID w.e.f. May 17, 2023.

The Board, based on the performance of the Company and on the recommendation of NRC, has decided the payment of Commission to the IDs.

**f. Stock Option:**

The Company does not have any stock option scheme for its Directors or employees. Moreover, there is no separate provision for payment of severance fees to the Directors.

**C. Corporate Social Responsibility and Environment, Social and Governance (“CSR and ESG”) Committee:**

The terms of reference of CSR and ESG Committee includes, to frame the CSR Policy and review it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and Rules made thereunder, to provide guidance on various CSR activities to be undertaken by the Company and to monitor its

progress, oversee and recommend to the Board, the Company's ESG policies, strategies, programs, initiatives, reporting and disclosures.

The CSR Policy and ESG Policy, as recommended by the CSR and ESG Committee is approved by the Board. The details with regard to CSR, its composition, Policy, Projects, etc. are provided in the Board's Report.

The terms of reference of ESG includes, to provide strategic guidance and oversight to the Company's initiatives & practices towards ESG and respond to challenges posed by climate change through sustainable business practices. It will help to create long-term value for all stakeholders.

The composition of the CSR and ESG Committee as at March 31, 2024 and the details of members' participation at the meeting which was held on May 17, 2023 are as under:

Name of the Member	No. of Meeting held	No. of Meeting attended
Dr. Sharvil P. Patel, Chairman		1
Mr. Kulin S. Lalbhai*	1	N.A.
Mr. Ganesh N. Nayak		1

\* Inducted as a member of the Committee w.e.f. August 4, 2023 and Mr. Savyasachi S. Sengupta ceased to be member of the Committee on completion of his first term as an ID w.e.f. close of business hours on November 1, 2023.

**D. Risk Management Committee (“RMC”):**

Pursuant to the provisions of regulation 21 of the Listing Regulations, the Company has constituted RMC and majority of the members of the Committee are Directors. The Company has a well-defined risk management framework to identify, recognize, monitor and mitigate risks and also identify business opportunities. Business risk evaluation and its management is a continuous process within the organization. The Company has framed a Risk Management Policy which includes the terms of reference and the weblink of the same is provided separately in this report.

The role of RMC, as enumerated in Para C of Part D of Schedule II of the Listing Regulations, is as under:

1. To formulate a detailed risk management policy which shall include:
  - i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the RMC.

- ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
- iii. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company,
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems,
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity,
5. To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken,
6. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

The RMC reviewed the risks and extent of exposure and potential impact analysis was carried out by the Management. It was confirmed by the CEO & WTD and the Chief Financial Officer that the mitigation actions are monitored.

The composition of the RMC as at March 31, 2024 and the details of members' participation at the meetings which were held on September 21, 2023 and March 13, 2024 are as under:

Name of the Member	No. of Meetings held	No. of Meetings attended
Dr. Sharvil P. Patel, Chairman		2
Mr. Akhil A. Monappa*	2	2
Mr. Kulin S. Lalbhai		1
Mr. Umesh V. Parikh		2

\* Inducted as a member of the Committee w.e.f. August 4, 2023 and Mr. Savyasachi S. Sengupta ceased to be member of the Committee on completion of his first term as an ID w.e.f. close of business hours on November 1, 2023.

The Company Secretary acts as a Secretary to the Committee.

**E. Stakeholders'/ Investors' Relationship Committee (“SRC”):**

Pursuant to the provisions of section 178(5) of the Act and regulation 20 of the Listing Regulations, the Board has formed the SRC.

**I. Terms of reference:**

The SRC reviews the redressal of grievances of stakeholders pertaining to the requests / complaints of the members related to transfer of shares, dematerialization of shares, non-receipt of annual reports, non-receipt of dividend or revalidation of expired dividend warrants, recording the change of address, nomination, etc.

The role of the SRC has been specified in Para B of Part D of Schedule II of the Listing Regulations, which is as under:

1. Resolving the grievances of the security holders of the Company including complaints

- related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.,
2. Review of measures taken for effective exercise of voting rights by the members,
  3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent (“RTA”) and
  4. Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend cheques / annual reports / statutory notices by the members of the Company.

The Chairman of the SRC attended the AGM of the Company held on August 3, 2023.

## II. Composition, meeting held and attendance at the meeting during the year:

The composition of SRC as at March 31, 2024 and details of attendance of the Committee members at the meeting are given in the following table. The Committee met once during the year on May 17, 2023.

Name of the Member	No. of Meeting held	No. of Meeting attended
Mr. Ganesh N. Nayak, Chairman		1
Mr. Srivishnu R. Nandyala*	1	N.A.
Mr. Tarun Arora		1

\* Inducted as a member of the Committee w.e.f. August 4, 2023 and Mr. Savyasachi S. Sengupta ceased to be member of the Committee on completion of his first term as an ID w.e.f. close of business hours on November 1, 2023.

Mr. Nandish P. Joshi, Company Secretary acted as the Secretary to the Committee, who was designated as Compliance Officer pursuant to regulation 6 of the Listing Regulations.

The Committee ensures that the members' / investors' grievances and correspondence are attended and resolved expeditiously.

506 (Five Hundred Six) equity shares remained in the in-transit account with National Securities Depository Limited and the Central Depository Services (India) Limited (collectively referred to as "the **Depositories**") as at March 31, 2024.

### III. Number of requests / complaints:

The Company and / or its RTA have received 16 (sixteen) complaints from The Securities and Exchange Board of India ("**SEBI**") / Stock Exchanges and also directly from the members, which were resolved within the time frame laid down by SEBI.

## F. Share Transfer Committee ("**STC**"):

### I. Terms of reference:

The STC is empowered to perform all the functions of the Board in relation to approval and monitoring of transfer, transmission, transposition, dematerialization, rematerialization, issue of duplicate share certificates, splitting and consolidation of shares issued by the Company. The Committee also oversees the functions of Link Intime India Private Limited, the RTA of the Company. The Board has delegated the powers to approve the transfer of shares to the Committee.

### II. Composition:

As at March 31, 2024, the Share Transfer Committee comprises of the following members:

1. Dr. Sharvil P. Patel – Chairman,
2. Mr. Ganesh N. Nayak – Member, and
3. Mr. Tarun Arora – Member

The Company Secretary acts as a Secretary to the Committee.

## III. Meetings held and the attendance of members at the meetings:

The Committee meets on a need basis to ensure the regular process of transfer / transmission of shares, split, consolidation, demat / remat and issuance of duplicate Share Certificates.

### G. Finance and Administration Committee ("**FAC**"):

The FAC looks after the business, which are broadly relating to financing i.e. borrowing of funds, making investments / providing loan / corporate guarantee to subsidiary companies and other business which are of routine / administrative nature and within the overall board approved directions and framework. Dr. Sharvil P. Patel is the Chairman, Mr. Ganesh N. Nayak, Mr. Ashish P. Bhargava and Mr. Tarun Arora are the members of the Committee. The Company Secretary acts as a Secretary to the Committee. The FAC met 8 (eight) times during the year.

Minutes of the FAC meetings are placed before the Board for information.

## 4. Independent Directors' Meeting:

During the Financial Year ended on March 31, 2024, a separate meeting of IDs, without the attendance of the Non-Independent Directors of the Company was held on February 8, 2024, inter alia, to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board as a whole,
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors, and
3. Evaluation of the quality, content and timeliness of flow of information between the Management and the Board and that is necessary to effectively and reasonably perform its duties.

All the IDs were present at the meeting. The performance of the Non-Independent Directors, the Board as a whole and Chairman of the Company was evaluated by the IDs, taking into account the views of Executive Directors and Non-Executive Directors.

## 5. Particulars of Senior Management including the changes therein since the close of the previous Financial Year:

The particulars of Senior Management including the changes therein since March 31, 2023 is given in below table:

Sr. No.	Name and Function of Senior Management Personnel	Nature of change and effective date
1.	Mr. Umesh V. Parikh, Chief Financial Officer	-
2.	Mr. Lalit Ahuja, Head-Sales (India & ISC)	-
3.	Mr. Shantanu Das, Head-Human Resources	Appointed w.e.f. May 8, 2023
4.	Mr. Himanshu Pandey, Head-Manufacturing	-
5.	Mr. Manoj Kothari, Head-Global Demand & Supply Organization	-
6.	Mr. Saurabh Jain, Head-Marketing	-
7.	Mr. Siva M Sivaramakrishnan, Head-Research and Development	Appointed w.e.f. March 1, 2024
8.	Mr. Manish Joshi, Head-Business Development and Projects	-
9.	Mr. R. Phani Kumar, Head-Quality and Regulatory	-
10.	Mr. Nandish P. Joshi, Company Secretary and Compliance Officer	-

Mr. Govindarajan Raghavan, Head-Research and Development resigned w.e.f. close of business hours on October 9, 2023.

## 6. Material Subsidiary Company:

ZWPL is the only Indian material unlisted subsidiary company.

The financial statements of subsidiaries, in particular, the investments made by subsidiaries, if any, are reviewed by the Audit Committee on a quarterly basis. The policy relating to material subsidiaries and dealing with related party transactions, as approved by the Board is provided separately in this report.

The minutes of the Board meetings of Indian unlisted subsidiary companies along with a report on significant developments are periodically placed at the Board meeting of the Company, for information of the Board.

Pursuant to regulation 16(1)(c) of the Listing Regulations, ZWPL is determined as the material subsidiary of the Company. Details of incorporation and Statutory Auditors of ZWPL are provided in the below table:

Details of Incorporation		Details of Statutory Auditors	
Date	Place	Name	Date of appointment
February 28, 2019	Ahmedabad, Gujarat	Dhirubhai Shah & Co. LLP	July 30, 2019

## 7. Disclosures:

### A. Related Party Transactions:

All transactions entered into with the Related Parties as defined under section 2(76) of the Act and regulation 2(1)(zb) read with regulation 23 of the Listing Regulations during the Financial year ended on March 31, 2024 were in the ordinary course of business and on an arm's length basis and do not attract the provisions of section 188 of the Act. There were no materially significant transactions with the related parties during the Financial Year ended on March 31, 2024 which were in the conflict of interest of the Company. Suitable disclosures as required by Ind AS-24 have been made in the notes to the Financial Statements.

As per the first proviso of regulation 23(1), the transactions with ZWPL are considered as material related party transactions. However, as the criteria prescribed under regulation 23(5) of the Listing Regulations are met, approval of the members of the Company for material related party transactions

with ZWPL is not required.

Pursuant to regulation 24(1) of the Listing Regulations, the Company has appointed Ms. Dharmishtaben N. Raval, ID of the Company on the Board of ZWPL.

The Board has approved a policy on related party transactions, which includes the clear threshold limits, beyond which a transaction will be considered as a material related party transaction, which has been uploaded on the website of the Company and the weblink of the same is provided separately in this report.

During the Financial Year ended on March 31, 2024, there was no transaction between the Company and any of the promoter or members of the promoter group or any person or any entity, which holds 10.0% (ten percent) or more equity shares of the Company.

**B. Code of Conduct:**

The Company has laid down a Code of Conduct for all the Board members and Senior Management. The Code of Conduct is available on the website of the Company and the weblink of the same is provided separately in this report.

All Board Members and the Senior Management have affirmed compliance with the Code of Conduct for the year under review. The declaration of CEO & WTD is given below:

To the members of  
**Zydus Wellness Limited**

**Sub.: Compliance with Code of Conduct**

I hereby declare that all the Board Members and Senior Management have affirmed compliance with the Code of Conduct as adopted by the Board.

**Tarun Arora**  
CEO & Whole Time Director  
DIN: 07185311

Date: May 14, 2024  
Place: Ahmedabad

**C. Prohibition of Insider Trading:**

Pursuant to the provisions of The SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**PIT Regulations**”) as amended, the Company has framed a Code of Conduct to regulate, monitor and report trading by all the employees, directors, designated persons and their immediate relatives, connected persons and such employees of the Company who are expected to have access to the UPSI relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company.

The Company uses a software to monitor the trading in the equity shares of the Company mainly during the trading window closure and the reversal of the transactions, by the designated persons. The Company also maintains the structured digital database as mandated in the PIT Regulations.

**Details of shares held by the Directors as at March 31, 2024 is mentioned below:**

<b>Name of the Director</b>	<b>No. of shares held</b>	<b>Details of shares bought (+) / sold (-) during the Financial Year ended on March 31, 2024</b>
Dr. Sharvil P. Patel	533	-
Ms. Dharmishtaben N. Raval	-	-
Mr. Srivishnu R. Nandyala	-	-
Mr. Akhil A. Monappa	-	-
Mr. Kulin S. Lalbhai	-	-
Mr. Ganesh N. Nayak	6550	-
Mr. Ashish P. Bhargava	-	-
Mr. Tarun Arora	2000	-

**D. Whistle Blower Policy:**

Pursuant to the provisions of section 177(9) of the Act and regulation 22 of the Listing Regulations, the Company has formulated a Whistle Blower Policy to deal with any instance of fraud and mismanagement and to report instances of leakage of UPSI. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. During the financial year, no personnel has been denied access to the Audit Committee pertaining to Whistle Blower complaint. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is done

with any person for a genuinely raised concern. The Whistle Blower Policy is available on the website of the Company and the weblink of the same is provided separately in this report.

**E. Management:****i. Management Discussion and Analysis Report:**

Management Discussion and Analysis Report is set out in a separate section included in the Annual Report and forms a part of this Report.

**ii. Disclosure of material financial and commercial transactions:**

As per the disclosures received from all the Directors and the Senior Management, no

material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the Financial year ended on March 31, 2024.

**F. Credit Ratings:**

During the year under review, the Company has not obtained any credit rating.

**G. Non-Disqualification of Directors:**

The Company has obtained a certificate from Mr. Hitesh D. Buch, Practicing Company Secretaries

certifying 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 SEBI / Ministry of Corporate Affairs or any such statutory authority. The said certificate is enclosed to this Corporate Governance Report.

**H. Fees paid to the Statutory Auditors:**

During the Financial Year ended on March 31, 2024, Mukesh M. Shah & Co., the Statutory Auditors of the Company were paid fees for audit and providing other services as per the below details:

₹ in Millions

Sr. No.	Name of the Company	Name of the Statutory Auditors	Fees paid (excl. taxes)		Total
			For Statutory Audit	For providing other services	
1.	Zydus Wellness Limited	Mukesh M. Shah & Co.	1.07	0.49	1.56

**I. Disclosure regarding re-appointment / regularization of Directors:**

The particulars about the brief resume and other information of the Directors seeking re-appointment / regularization as required to be disclosed under this section are provided as per regulation 36(3) of the Listing Regulations and standard 1.2.5 of Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India as an annexure to the notice convening the Thirtieth AGM.

**J. Compliance by the Company:**

The Company has complied with all the mandatory requirements of the Listing Regulations and other applicable regulations and guidelines prescribed by SEBI. Further, during last 3 (three) years, no penalties or strictures were imposed on the Company by any Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets. The equity shares of the Company were not suspended from trading at any time during the Financial Year ended on March 31, 2024.

The Company has adopted a compliance management tool which provides system-driven alerts to the respective owners for complying with the applicable laws and regulations. A compliance report along with the certificate of compliance issued by CEO & WTD and Head-Legal is placed before the Board on a quarterly basis.

**K. CEO / CFO Certification:**

The requisite certification from the CEO & WTD and the Chief Financial Officer required to be given under regulation 17(8) read with Part B of Schedule II of the Listing Regulations forms a part of this report.

**L. Transfer of unclaimed / unpaid dividend amount and shares to Investor Education and Protection Fund ("IEPF"):**

Pursuant to the provisions of sections 124 and 125 of the Act read with the Rules made thereunder, dividend, if not claimed for a period of 7 (seven) consecutive years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for 7 (seven) consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of members, the Company has sent reminder to the members to claim their dividend / shares before transfer of dividend / shares to IEPF. Notice in this regard was also published in the newspapers and the details of unclaimed dividends and members whose shares are liable to be transferred to IEPF, are uploaded on the website of the Company.

In light of the aforesaid provisions, 11,872 (Eleven Thousand Eight Hundred Seventy Two) equity shares of ₹ 10/- (Rupees Ten only) each of 259 (Two Hundred Fifty Nine) members were transferred to IEPF for which the Company has complied with the necessary requirement. Moreover, ₹ 2.03 millions (Rupees Two millions Thirty Thousand only) held by 6,349 (Six Thousand Three Hundred Forty Nine) members, being the unclaimed dividend, pertaining

to the Financial Years ended on March 31, 2016 and March 31, 2017 was transferred to IEPF after giving notice to the members to claim their unpaid / unclaimed dividend. As at March 31, 2024, 90,852 (Ninety Thousand Eight Hundred Fifty Two) equity shares are lying with IEPF.

**Status of unclaimed dividend and shares which are transferred to IEPF is as under:**

<b>Unclaimed dividend and shares</b>	<b>Status</b>	<b>Can it be claimed</b>	<b>Can be claimed from</b>	<b>Actions to be taken</b>
Upto and including the Financial Year 2016-2017	Transferred to IEPF	Yes	IEPF Authority Member to file web Form No. IEPF-5 and send the said form to the Nodal Officer of the Company at the Registered Office of the Company along with necessary documents. The Nodal Officer will file e-verification report with IEPF Authority.	IEPF authority to credit the claimed shares and / or dividend amount based on the e-verification report filed by the Company and the documents submitted by the member.
For the Financial Years 2017-2018 to 2022-2023	Amount is lying in the respective unclaimed dividend account	Yes	The Company and / or RTA	Member to make an application to the Company / RTA along with KYC documents.

Details of date of declaration of dividend and the due date of transfer to IEPF is provided in the Note No. 7 of the Notice convening the Thirtieth AGM.

**M. Utilization of funds:**

During the Financial Year ended on March 31, 2024, the Company has not raised any funds through preferential allotment or qualified institutional placement.

**N. Recommendations of the Committees:**

During the Financial Year ended on March 31, 2024, recommendations of the Committees were submitted to the Board for approval and the Board has, after due deliberations, accepted all the recommendations.

**O. Disclosure regarding Sexual Harassment of Women at Workplace:**

The Company has adopted a policy on Sexual Harassment of Women at Workplace for prevention, prohibition and redressal of sexual harassment at workplace pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

During the financial year 2023-2024, the Company has not received any complaint on sexual harassment.

**P. Accounting Standards:**

In preparing the annual financial statements of the Company, the treatment as prescribed in the Accounting Standards has been followed.

**Q. Dividend Distribution Policy:**

Pursuant to regulation 43A of the Listing Regulations, the Company has formulated Dividend Distribution Policy, which is approved by the Board and is uploaded on the website of the Company and the weblink for the same is provided separately in this report.

**R. Policy to determine Materiality of an event or information:**

The Board has approved the policy to determine materiality of an event or information and the same is available on the website of the Company and the weblink for the same is provided separately in this report. The details of the KMP authorized to determine materiality of an event or information and who is authorized to inform an event or information to the Stock Exchanges is also uploaded on the website of the Company and the weblink for the same is provided separately in this report.

**8. Means of Communication:**

- i) The Company has 70,472 (Seventy Thousand Four Seventy Two) members as on March 31, 2024. The main channel of communication to the members is through Annual Report, which inter-alia includes, the Directors' Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility and Sustainability Report and Audited Financial Statements.
- ii) The Annual General Meeting is a platform for face-to-face / virtual communication with the members. The Chairman, CEO & WTD and other Key Managerial Personnel respond to the specific queries of the members.



- iii) The Company intimates to the Stock Exchanges all price sensitive information, which in its opinion are material and of relevance to the members and subsequently issues a Press Release on such matters, wherever necessary.
- iv) The quarterly, half yearly and yearly results are published in widely circulated national and local daily newspaper "Financial Express" in English and Gujarati language. The results are also posted on the website of the Company at [www.zyduswellness.com](http://www.zyduswellness.com) and the same are not sent individually to the members.
- v) The Company's results and official news releases are displayed on the website of the Company at [www.zyduswellness.com](http://www.zyduswellness.com). The Company holds meetings and makes representations to the institutional investors and analysts. The copies of such presentations, transcripts and recording of the audio calls are also made available on the website of the Company. Information to the Stock Exchanges is being filed online on NEAPS portal of National Stock Exchange of India ("NSE") Limited and online listing portal of BSE Limited ("BSE").

## 9. General Body Meetings:

### I. Details of last three AGMs held are provided hereunder:

Year	Date and Time	Venue
2022-2023	29 <sup>th</sup> AGM on August 3, 2023 at 10:00 a.m. (IST)	Through Video Conference ("VC") / Other Audio Visual Means ("OAVM")
2021-2022	28 <sup>th</sup> AGM on July 29, 2022 at 10:00 a.m. (IST)	
2020-2021	27 <sup>th</sup> AGM on July 30, 2021 at 10:00 a.m. (IST)	

### II. Special Resolutions passed in the previous three AGMs:

The members of the Company have passed the following Special Resolutions in the previous three AGMs.

Sr. No.	Nature of Special Resolution Passed	Relevant provisions	Details of AGM
1.	Re-appointment of Ms. Dharmishtaben N. Raval (DIN: 02792246) as an Independent Director of the Company for the second term of 5 (five) consecutive years.		
2.	Re-appointment of Mr. Srivishnu R. Nandyala (DIN: 00025063) as an Independent Director of the Company for the second term of 5 (five) consecutive years.	Sections 149, 150, 152 of the Act	29 <sup>th</sup> AGM held on August 3, 2023
3.	Appointment of Mr. Akhil A. Monappa (DIN: 09784366) as an Independent Director of the Company for the first term of 5 (five) consecutive years.		
4.	Re-appointment of Mr. Kulin S. Lalbhai (DIN: 05206878) as an Independent Director of the Company for the second term of 5 (five) consecutive years.		27 <sup>th</sup> AGM held on July 30, 2021

### III. Approval of members through Postal Ballot:

During the Financial Year ended on March 31, 2024, the Company has not sought or passed any resolution through Postal Ballot.

## 10. General Shareholder Information:

### i. AGM:

Date and Time of 30 <sup>th</sup> AGM	Friday, August 2, 2024 at 10.00 a.m. (IST)
Venue of 30 <sup>th</sup> AGM	The venue shall be deemed to be the Registered Office of the Company as the AGM will be held through VC/OAVM
Financial Year	April 1, 2023 to March 31, 2024
Record Date	Friday, July 19, 2024
Registered Office Address	Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad – 382481
Date of Dividend Payment	On or after Wednesday, August 7, 2024
Compliance Officer	Mr. Nandish P. Joshi, Company Secretary and Compliance Officer
Website	<a href="http://www.zyduswellness.com">www.zyduswellness.com</a>
Corporate Identification Number (CIN)	L15201GJ1994PLC023490

**ii. Tentative financial calendar:**

First Quarter Results	On or before August 14, 2024
Half Yearly Results	On or before November 14, 2024
Third Quarter Results	On or before February 14, 2025
Audited Results for the year 2024-2025	On or before May 30, 2025

The trading window closure for the financial results shall be from the first day from the closure of the quarter till the completion of 48 hours after the financial results become publicly available.

**iii. Listing of shares:**

The Equity Shares of the Company are listed on BSE and NSE.

**iv. Listing Fees:**

The Company has paid annual listing fees for the Financial Year 2024–2025 to the above Stock Exchanges.

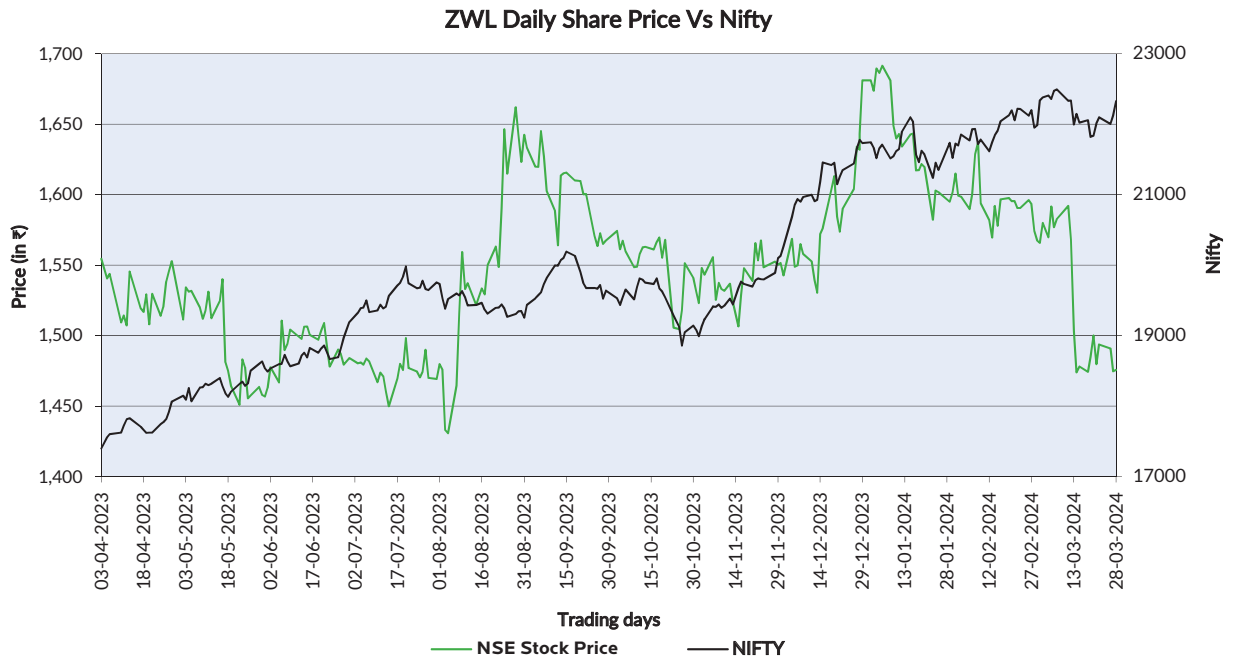
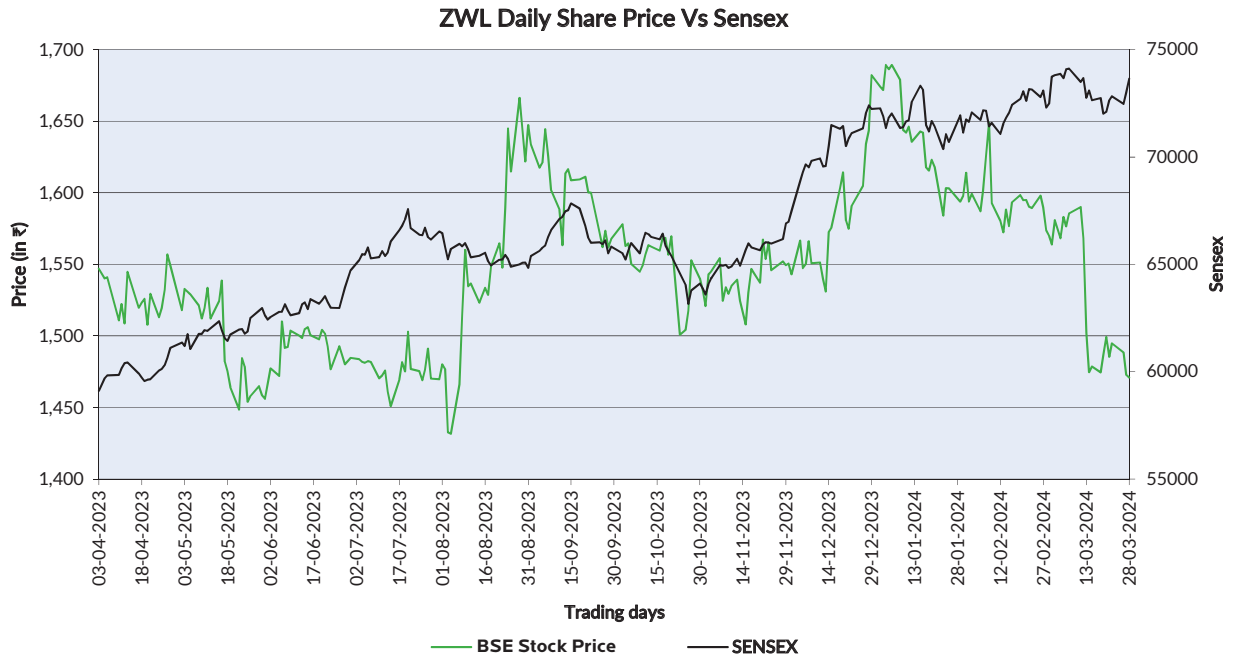
**v. Stock Code:**

Name of the Stock Exchange	Stock Code	Closing Price as on March 31, 2024 (₹)
BSE Limited P. J. Towers, Dalal Street, Mumbai – 400001	531335	1470.90
National Stock Exchange of India Limited Exchange Plaza, C/1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	ZYDUSWELL	1475.60

**vi. Stock Price, BSE Sensex and NSE Nifty 50 data:**

Month	BSE Sensex	BSE			Nifty 50	NSE		
		High (₹)	Low (₹)	Av. Volume (In Nos.)		High (₹)	Low (₹)	Av. Volume (In Nos.)
Apr., 23	61112.44	1589.95	1456.05	5495	18065.00	1565.00	1498.65	21183
May, 23	62622.24	1568.80	1445.25	1833	18534.40	1570.00	1445.00	24950
Jun., 23	64718.56	1540.85	1452.00	2683	19189.05	1535.00	1441.00	81560
Jul., 23	66527.67	1519.50	1448.50	2868	19753.80	1522.00	1447.00	40514
Aug., 23	64831.41	1691.80	1425.00	20703	19253.80	1693.40	1425.05	127928
Sept., 23	65828.41	1668.95	1550.05	2236	19638.30	1672.00	1555.65	28563
Oct., 23	63874.93	1590.00	1472.50	1591	19079.60	1594.00	1485.00	27934
Nov., 23	66988.44	1595.00	1500.00	3031	20133.15	1595.00	1500.10	31627
Dec., 23	72240.26	1701.00	1521.00	4835	21731.40	1706.15	1518.15	51056
Jan., 24	71752.11	1720.65	1555.70	2351	21725.70	1721.00	1572.10	28373
Feb., 24	72500.30	1683.25	1560.05	1693	21982.80	1665.00	1559.00	55424
Mar., 24	73651.35	1619.95	1441.75	2388	22326.90	1622.00	1440.15	43471

## vii. Stock Performance:



**viii. Registrar and Share Transfer Agent:**

Link Intime India Private Limited is the RTA of the Company.

For lodgment of any documents or any grievances / complaints, members may contact the Company's RTA at the following address:

**Link Intime India Private Limited,**

(Unit: Zydus Wellness Limited)

5<sup>th</sup> Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off. C.G. Road, Navrangpura, Ahmedabad-380006.

Telephone: 079-2646 5179/86/87

Fax: 079 - 2646 5179

Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

**ix. Share Transfer System:**

STC has been constituted to approve the transfers, transmission, issue of duplicate shares etc. The Company's RTA has adequate infrastructure to process the above matters.

Pursuant to regulation 40(9) of the Listing Regulations, a Company Secretary in Practice has certified due compliance of share transfer formalities on a yearly basis.

**x. Reconciliation of Share Capital Audit:**

Mr. Hitesh D. Buch, Practicing Company Secretaries has carried out audit in each of the quarters during the Financial Year ended on March 31, 2024, to reconcile the total admitted capital with Depositories and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of shares in physical mode and the total number of shares in dematerialized mode held with Depositories.

**xi. Distribution of shareholding of Equity Shares as at March 31, 2024:**

No. of Equity Shares	No. of Folios	% of total folios	No. of Shares	% of shareholding
1 to 500	69421	98.51	2524838	3.97
501 to 1000	573	0.81	421810	0.66
1001 to 2000	229	0.33	325264	0.51
2001 to 3000	86	0.12	210084	0.33
3001 to 4000	46	0.07	159520	0.25
4001 to 5000	25	0.03	110790	0.17
5001 to 10000	38	0.05	262277	0.41
10001 & above	54	0.08	59617561	93.70
<b>Grand Total</b>	<b>70472</b>	<b>100.00</b>	<b>63632144</b>	<b>100.00</b>
Members in Physical Mode	1383	1.96	145778	0.23
Members in Dematerialized Mode	69089	98.04	63486366	99.77
<b>Grand Total</b>	<b>70472</b>	<b>100.00</b>	<b>63632144</b>	<b>100.00</b>

**xii. Shareholding Pattern as at March 31, 2024:**

Category	No. of Shares held		Total shares	% of shareholding
	Physical	Electronic		
Promoter's holding	0	44298105	44298105	69.62
Mutual Funds	46	5250615	5250661	8.25
Banks, FI's and Insurance Companies	0	636847	636847	1.00
Alternate Investment Funds	0	6465234	6465234	10.16
Foreign Institutional Investors / Foreign Portfolio Investors	0	2072408	2072408	3.26
NRIs / Foreign National	64686	272468	337154	0.53
Other Corporate Bodies	53	312694	312747	0.49
Indian Public / HUF / Trusts	80993	4042703	4123696	6.48
Other	0	135292	135292	0.21
<b>Total</b>	<b>145778</b>	<b>63486366</b>	<b>63632144</b>	<b>100.00</b>

**xiii. Top ten equity members of the Company as at March 31, 2024:**

Sr. No.	Name of the shareholder	No. of equity shares held	% of shareholding
1	Zydus Lifesciences Limited	36647509	57.60
2	Zydus Family Trust	7645159	12.01
3	Threpsi Care LLP	6440216	10.12
4	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	2221106	3.49
5	SBI Small Cap Fund	1400000	2.20
6	ICICI Prudential Value Discovery Fund	843482	1.32
7	Rohini Nilekani	590340	0.93
8	Government Pension Fund Global	406707	0.64
9	Life Insurance Corporation of India - P & Gs Fund	358520	0.56
10	Vanguard Total International Stock Index Fund	307009	0.48
<b>Total</b>		<b>56860048</b>	<b>89.35</b>

**xiv. Dematerialization of Shares and Liquidity:**

The Company's equity shares are required to be compulsorily traded on the Stock Exchanges in dematerialized form. Approximately 99.8% of the equity shares have been dematerialized. ISIN for dematerialization of the equity shares of the Company is INE768C01010.

**xv. Location of the Company's manufacturing plant:**

The details of the locations of the manufacturing plants and R&D center of the Company and its subsidiaries are mentioned in the Corporate Information page of the Annual Report.

**xvi. Address for correspondence:**

Members' correspondence should be addressed to the RTA at the address mentioned above in point no. viii.

For any assistance, members may also contact Mr. Nandish P. Joshi, Company Secretary and Compliance Officer at Telephone: 079-48040336 or send an e-mail at [investor.grievance@zyduswellness.com](mailto:investor.grievance@zyduswellness.com) / [nandish.joshi@zyduswellness.com](mailto:nandish.joshi@zyduswellness.com).

Members holding shares in the dematerialized mode should address all their correspondence to their respective Depository Participants ("DP").

**xvii. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

During the year under review, the Company has not issued any GDRs/ADRs, warrants or any convertible instruments.

**xviii. Details of non-compliance:**

During the year under review, there was no non-compliance and no penalties were imposed or strictures passed on the Company by the Stock Exchanges, SEBI or any other Statutory Authority. Mr. Hitesh D. Buch, Practicing Company Secretaries has certified the compliance of the conditions of Corporate Governance and the certificate is annexed to this report. The certificate shall also be sent to the Stock Exchanges along with the Annual Report.

**xix. Commodity price risk or foreign exchange risk and hedging activities:**

Prices of key inputs like milk, refined palm oil, dextrose monohydrate etc. used in the products manufactured and marketed have stabilised during the year in line with the overall macro economic scenario of cooling off of inflationary trends in the Country. The Company continues to be proactive and keep a close watch on the prices of key inputs and enter into long term contracts, wherever feasible, to minimize the risk of fluctuations in the input prices. The Company has also adequate inventory buffers as a risk mitigation measure and there is a continuous effort to increase supplier base in case risk is perceived. The Company saw a gradual reduction of rates for its key inputs like milk and refined palm oil. With calibrated price increases taken across portfolio and efficient hedging strategy for key inputs, the Company has registered a good recovery of gross margin quarter on quarter consistently over the last three quarters of the financial year over previous year comparable periods. As a result the Company has reported gross margin on net sales of 50.8% for the financial year 2023-2024, which is an increase of 193 basis points on a Y-o-Y basis.

The Company also has foreign exchange risk as it also imports raw materials and exports finished goods in foreign currency. Since, Company has natural hedge due to its import and export activities, Company doesn't enter into foreign exchange derivatives to hedge its exposure. For more details on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report, which forms a part of this Report.

**xx. Loans and advances:**

The Company and its subsidiaries have not given any loans and advances in the nature of loan to firms / companies in which the Directors of the Company / subsidiaries are interested during the Financial Year ended on March 31, 2024, except those mentioned in the Audited Financial Statements.

**xxi. Binding Agreements:**

During the Financial Year ended on March 31, 2024, no agreements were entered that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

**xxii. Equity Shares lying in the Unclaimed Suspense Account:**

Members who have not claimed their shares are requested to immediately approach RTA of the Company by forwarding a request letter duly signed by all the joint holders furnishing their complete postal address along with pin code, self-attested copies of PAN card and proof of address, self-attested copy of client master list and Form ISR-2 (confirmation of signature of securities holder by the Banker), to enable the Company to release the said shares to the rightful owner.

Details of shares lying in the unclaimed suspense account as at March 31, 2024, are as under:

Particulars	No. of members	No. of equity shares
Aggregate number of members and the outstanding equity shares in the unclaimed suspense account lying at the beginning of the year i.e. April 1, 2023	149	9921
Number of members who approached the Company / RTA for transfer of equity shares from unclaimed suspense account during the year ended on March 31, 2024	4	345
Number of members to whom equity shares were transferred from unclaimed suspense account during the year ended on March 31, 2024	4	345
Number of equity shares transferred to IEPF authority from unclaimed suspense account during the year ended on March 31, 2024	-	-
Aggregate number of members and the outstanding equity shares lying in the unclaimed suspense account at the end of the year i.e. as on March 31, 2024	145	9576

**xxiii. Weblink of various policies of the Company:**

List of various policies approved by the Board and their respective weblink are provided in the below table:

Sr. No.	Policy / Weblink
1.	Dividend Distribution Policy <a href="https://www.zyduswellness.com/investor/Dividend%20distribution%20policy.pdf">https://www.zyduswellness.com/investor/Dividend%20distribution%20policy.pdf</a>
2.	Policy for Determination and Disclosure of Materiality of an Event or Information <a href="https://www.zyduswellness.com/investor/Policy%20to%20determine%20materiality%20of%20an%20event%20or%20information.pdf">https://www.zyduswellness.com/investor/Policy%20to%20determine%20materiality%20of%20an%20event%20or%20information.pdf</a>
3.	Familiarization Program for Independent Directors <a href="https://www.zyduswellness.com/investor/Presentation-on-Familiarizat-on-Programme.pdf">https://www.zyduswellness.com/investor/Presentation-on-Familiarizat-on-Programme.pdf</a>
4.	Code of Business Conduct and Ethics <a href="https://www.zyduswellness.com/investor/code-of-business-conduct-and-ethics-policy.pdf">https://www.zyduswellness.com/investor/code-of-business-conduct-and-ethics-policy.pdf</a>
5.	Corporate Social Responsibility Policy <a href="https://www.zyduswellness.com/investor/CSR-Policy-ZWL-01.02.2021.pdf">https://www.zyduswellness.com/investor/CSR-Policy-ZWL-01.02.2021.pdf</a>
6.	Policy on Preservation of Documents <a href="https://www.zyduswellness.com/investor/Policy-on-Preservation-of-Documents.pdf">https://www.zyduswellness.com/investor/Policy-on-Preservation-of-Documents.pdf</a>
7.	Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions <a href="https://www.zyduswellness.com/investor/Policy-on-Related-Party-Transactions-March-2022.pdf">https://www.zyduswellness.com/investor/Policy-on-Related-Party-Transactions-March-2022.pdf</a>
8.	Policy to determine Material Subsidiary <a href="https://www.zyduswellness.com/investor/Policy_to_determine_Material_Subsiary.pdf">https://www.zyduswellness.com/investor/Policy_to_determine_Material_Subsiary.pdf</a>
9.	Risk Management Policy <a href="https://www.zyduswellness.com/investor/Risk%20Management%20Policy.pdf">https://www.zyduswellness.com/investor/Risk%20Management%20Policy.pdf</a>
10.	Environment Health and Safety Policy <a href="https://www.zyduswellness.com/investor/Coroprate-EHS-policy.pdf">https://www.zyduswellness.com/investor/Coroprate-EHS-policy.pdf</a>
11.	Whistle Blower Policy <a href="https://www.zyduswellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf">https://www.zyduswellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf</a>
12.	Nomination and Remuneration Policy <a href="https://www.zyduswellness.com/investor/nrc-policy-feb-23.pdf">https://www.zyduswellness.com/investor/nrc-policy-feb-23.pdf</a>
13.	Policy on Prevention of Sexual Harassment of Women at Workplace <a href="https://www.zyduswellness.com/investor/zwl-posh-policy-feb-20.pdf">https://www.zyduswellness.com/investor/zwl-posh-policy-feb-20.pdf</a>

Sr. No.	Policy / Weblink
14.	Archival Policy <a href="https://www.zyduswellness.com/investor/archival-policy.pdf">https://www.zyduswellness.com/investor/archival-policy.pdf</a>
15.	Human Rights Policy <a href="https://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf">https://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf</a>
16.	Policy for determination of Legitimate Purpose for sharing Unpublished Price Sensitive Information <a href="https://www.zyduswellness.com/investor/policy-on-determination-of-legitimate-purpose-for-sharing-upsi.pdf">https://www.zyduswellness.com/investor/policy-on-determination-of-legitimate-purpose-for-sharing-upsi.pdf</a>
17.	Policy on inquiry on leakage of Unpublished Price Sensitive Information <a href="https://www.zyduswellness.com/investor/Policy-on-inquiry-on-leakage-of-UPSI.pdf">https://www.zyduswellness.com/investor/Policy-on-inquiry-on-leakage-of-UPSI.pdf</a>
18.	Public Policy <a href="https://www.zyduswellness.com/investor/public-policy.pdf">https://www.zyduswellness.com/investor/public-policy.pdf</a>
19.	Policy on Insider Trading <a href="https://www.zyduswellness.com/investor/policy-on-insider-trading-feb-19.pdf">https://www.zyduswellness.com/investor/policy-on-insider-trading-feb-19.pdf</a>
20.	Policy for monitoring Stationary <a href="https://www.zyduswellness.com/investor/Policy-for-monitoring-stationery-etc-as-per-SEBI-Circular.pdf">https://www.zyduswellness.com/investor/Policy-for-monitoring-stationery-etc-as-per-SEBI-Circular.pdf</a>
21.	Code of Conduct for Vendors <a href="https://www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf">https://www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf</a>
22.	Board Diversity Policy <a href="https://www.zyduswellness.com/investor/board-diversity-policy-feb-23.pdf">https://www.zyduswellness.com/investor/board-diversity-policy-feb-23.pdf</a>
23.	Details of KMP authorised to determine Materiality of an event or information <a href="https://www.zyduswellness.com/investor/disclosures/Reg%2030%20-%20Materiality%20of%20events%20or%20information%20-%2028-12-13.pdf">https://www.zyduswellness.com/investor/disclosures/Reg%2030%20-%20Materiality%20of%20events%20or%20information%20-%2028-12-13.pdf</a>
24.	Ethical and Responsible Marketing Policy <a href="https://www.zyduswellness.com/investor/Ethical%20and%20Responsible%20Marketing%20Policy.pdf">https://www.zyduswellness.com/investor/Ethical%20and%20Responsible%20Marketing%20Policy.pdf</a>
25.	Occupational Health and Safety Policy <a href="https://www.zyduswellness.com/investor/Occupational%20Health%20and%20Safety%20Policy.pdf">https://www.zyduswellness.com/investor/Occupational%20Health%20and%20Safety%20Policy.pdf</a>
26.	Environment Policy <a href="https://www.zyduswellness.com/investor/Environment%20Policy.pdf">https://www.zyduswellness.com/investor/Environment%20Policy.pdf</a>
27.	Biodiversity Policy <a href="https://www.zyduswellness.com/investor/Biodiversity%20Policy.pdf">https://www.zyduswellness.com/investor/Biodiversity%20Policy.pdf</a>
28.	Diversity and Inclusion Policy <a href="https://www.zyduswellness.com/investor/Diversity%20and%20Inclusion%20Policy.pdf">https://www.zyduswellness.com/investor/Diversity%20and%20Inclusion%20Policy.pdf</a>
29.	Anti-Bribery and Anti-Corruption Policy <a href="https://www.zyduswellness.com/investor/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf">https://www.zyduswellness.com/investor/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf</a>
30.	ESG Policy <a href="https://www.zyduswellness.com/investor/ESG%20Policy.pdf">https://www.zyduswellness.com/investor/ESG%20Policy.pdf</a>

#### xxiv. Evolution of equity share capital:

Details of evolution of equity share capital since incorporation are provided in below table:

Sr. No.	Date of Allotment	No. of shares	Remarks
1.	November 10, 1994	70	Subscribers to the Memorandum of Association and the Articles of Association (Face Value ₹ 10/-).
2.	February 25, 1995	3,50,000	Preferential allotment (Face Value ₹ 10/-).
3.	December 20, 1995	52,25,030	Initial Public Offer at ₹ 10/- per equity share.
4.	June 02, 2005	9,14,200	Re-issue of forfeited shares at ₹ 70/- per equity share.
5.	January 17, 2009	3,34,96,989	Allotment of 3,34,96,989 equity shares, pursuant to the Scheme of Arrangement between the Company, Zydus Lifesciences Limited and Zydus Hospitals and Medical Research Private Limited.
6.	January 29, 2019	1,85,92,055	Preferential allotment (Face Value ₹ 10/- and Issue Price ₹ 1,385/-).
7.	September 19, 2020	21,22,000	Preferential allotment (Face Value ₹ 10/- and Issue Price ₹ 1,649/-).
8.	September 28, 2020	38,46,000	Qualified Institutional Placement (Face Value ₹ 10/- and Issue Price ₹ 1,690/-).
<b>Total</b>		<b>6,36,32,144</b>	

**xxv. Compliance status of Corporate Governance requirements as prescribed in the Listing Regulations:**

The compliance status of corporate governance requirements as prescribed under regulations of 17 to 27 and 46(2)(b) to (i) of the Listing Regulations is provided in below table:

Regulation	Details of regulation	Complied (Yes / No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders' / Investors' Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the listed company	Yes
24A	Secretarial Audit Report and Secretarial Compliance Report	Yes
25	Obligations of Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other corporate governance requirements	Yes
46(2)(b) to (i)	Website	Yes

**11. Non-Mandatory requirements of regulation 27(1) & Part E of Schedule II of the Listing Regulations:**

- i. The Company has a Non-Executive Chairman.
- ii. The quarterly, half yearly and yearly results are not sent to the members. However, the same are published in the newspapers and are also posted on the website of the Company.
- iii. The Company's financial statements for the Financial Year ended on March 31, 2024 do not contain any audit qualification.
- iv. The internal auditor reports to the Audit Committee and they make quarterly presentations on their reports.
- v. The auditors' report on financial statements of the Company is with unmodified opinion.



## Chief Executive Officer and Whole Time Director and the Chief Financial Officer (CFO) Certification

To  
The Board of Directors  
**Zydus Wellness Limited**

As required under the regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **Listing Regulations**”) read with Part B of Schedule II of the Listing Regulations, we hereby certify that:

- (a) We have reviewed financial statements and cash flow statement for the year ended on March 31, 2024 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present 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 ended on March 31, 2024 which are fraudulent, illegal or in violation 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 the 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 have been taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
  - (i) significant changes in internal control over financial reporting during the year ended on March 31, 2024,
  - (ii) significant changes in accounting policies during the year ended on March 31, 2024 and that, the same have been disclosed in the notes to the financial statements, and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Date: May 14, 2024  
Place: Ahmedabad

**Tarun Arora**  
CEO & Whole Time Director  
DIN: 07185311

**Umesh V. Parikh**  
Chief Financial Officer

## Certificate of Compliance with Corporate Governance Requirements

To,  
The Members of  
**Zydus Wellness Limited**  
(CIN: L15201GJ1994PLC023490)  
Zydus Corporate Park, Scheme No. 63, Survey No. 536,  
Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway,  
Ahmedabad – 382481

We have examined the compliance of the conditions of corporate governance by **Zydus Wellness Limited** (the “**Company**”) for the financial year ended on March 31, 2024 as stipulated in regulation 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”).

### Management’s Responsibility

The compliance of corporate governance requirements as stipulated in the Listing Regulations, including the preparation and maintenance of all relevant supporting records and documents is the responsibility of the management.

### Auditors’ Responsibility

Our examination was limited to the review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

### Disclaimer

We further 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.

Date: May 14, 2024  
Place: Ahmedabad

### Hitesh Buch

Proprietor  
For, Hitesh Buch & Associates  
Company Secretaries  
FCS No.: 3145; C P No.: 8195  
Peer Review Cert. No. 1265/2021  
UDIN: F003145F000364759

## Certificate of Non-Disqualification of Directors

(Pursuant to regulation 34 (3) read with clause 10 (i) of Para C of Schedule V of the SEBI  
[Listing Obligations and Disclosure Requirements], Regulations, 2015)

To,  
The Members of  
**Zydus Wellness Limited**  
(CIN: L15201GJ1994PLC023490)  
Zydus Corporate Park, Scheme No. 63, Survey No. 536,  
Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway,  
Ahmedabad – 382481

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Zydus Wellness Limited** having CIN: L15201GJ1994PLC023490 and having its Registered Office at Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad – 382481 (hereinafter referred to as “the **Company**”), produced before me/us by the Company for the purpose of issuing this certificate, in accordance with regulation 34(3) read with Schedule V Para C of sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (“**DIN**”) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024 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.	Name of the Director	DIN	Date of appointment in Company
1.	Dr. Sharvil Pankajbhai Patel	00131995	April 27, 2009
2.	Mr. Kulin Sanjay Lalbhai	05206878	November 18, 2016
3.	Mr. Savyasachi Santosh Sengupta*	05158870	November 2, 2018
4.	Ms. Dharmishta Narendraprasad Raval	02792246	March 11, 2019
5.	Mr. Srivishnu Raju Nandyala	00025063	March 11, 2019
6.	Mr. Ganesh Narayan Nayak	00017481	July 27, 2006
7.	Mr. Tarun Arora	07185311	May 14, 2015
8.	Mr. Akhil Arun Monappa#	09784366	May 17, 2023
9.	Mr. Ashish Bhargava	02574919	January 30, 2019

\* Ceased as an independent director on completion of his term w.e.f. close of business hours on November 1, 2023.

# Appointed as an independent director w.e.f. May 17, 2023.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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.

**Hitesh Buch**

Proprietor

For, Hitesh Buch & Associates

Company Secretaries

FCS No.: 3145; C P No.: 8195

Peer Review Cert. No. 1265/2021

UDIN: F003145F000364737

Date: May 14, 2024

Place: Ahmedabad

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

## Section A: General disclosures

### I. Details of the Listed Entity:

1. Corporate Identity Number (CIN) of the Listed Entity	L15201GJ1994PLC023490
2. Name of the Listed Entity	Zydus Wellness Limited
3. Year of incorporation	1994
4. Registered office address	Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad – 382481
5. Corporate address	Same as above
6. E-mail	<a href="mailto:investor.grievance@zyduswellness.com">investor.grievance@zyduswellness.com</a>
7. Telephone	079-48040000
8. Website	<a href="http://www.zyduswellness.com">www.zyduswellness.com</a>
9. Financial year for which reporting is being done	2023-2024
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11. Paid-up Capital	₹ 636 millions (Rupees Six Hundred Thirty Six millions only)
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Umesh V. Parikh Designation: Chief Financial Officer (CFO) Telephone number: 079 – 48040000 Ext. No. 1330 E-mail address: <a href="mailto:umesh.parikh@zyduswellness.com">umesh.parikh@zyduswellness.com</a>
13. Reporting boundary Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Consolidated basis.  The disclosure under this report for both the financial years includes the Standalone Parent Company i.e. Zydus Wellness Limited, its wholly owned subsidiary companies, their manufacturing facilities, national and international offices, excluding two wholly owned subsidiaries as mentioned in point no. V(23)(a).
14. Name of assurance provider	Intertek India Private Limited
15. Type of assurance obtained	Reasonable assurance on BRSR Core parameters

### II. Products/services:

#### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of the Main Activity	Description of Business Activity	% of the Turnover of the entity
1.	Manufacturing of Fast Moving Consumer Goods	The Company is engaged in health and wellness segments. Five of its six brands are market leading brands viz. Sugar Free, Nutralite, Glucon-D, Nycil and Everyuth Scrubs and Peel Offs. It is engaged in research and development, manufacturing, marketing and distribution and sale of its products.	100%

**17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Sugar Free	10729	
2.	Complan	10509	
3.	Glucon-D	10623	
4.	Nutralite	10504	100%
5.	EverYuth	20237	
6.	Nycil	20237	
7.	I'mlite	10729	

**III. Operations:****18. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	4	11	15
International	-	2	2

**19. Markets served by the entity:****a. Number of locations:**

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	26

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

Contribution of exports (includes exports from India) as a percentage of the Company's consolidated turnover is 1.2%.

**c. A brief on types of customers:**

The Company is a leading consumer wellness company with an Indian heritage and a global footprint with a market leadership in five of its six brand categories. The Company continues to focus on expanding the category size of each of these brands and increasing the market share with necessary investments in each brand through product innovations, various media campaigns, sales promotions, and digital initiatives. The Company enjoys a pan India marketing presence through a distribution network comprising of 24 (twenty four) integrated Carrying and Forwarding Agents ("CFA") partners, 1700+ distributors and ~2500 feet-on-street representatives reaching to more than 50+ millions consumers as a testament to brands that are engraved in consumer's daily needs and shopping basket.

**IV. Employees:****20. Details as of the end of the Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	774	725	93.7%	49	6.3%
2.	Other than Permanent (E)	44	33	75.0%	11	25.0%
<b>3.</b>	<b>Total employees (D + E)</b>	<b>818</b>	<b>758</b>	<b>92.7%</b>	<b>60</b>	<b>7.3%</b>
<b>Workers</b>						
4.	Permanent (F)	234	233	99.6%	1	0.4%
5.	Other than Permanent (G)	2,317	2,153	92.9%	164	7.1%
<b>6.</b>	<b>Total workers (F + G)</b>	<b>2,551</b>	<b>2,386</b>	<b>93.5%</b>	<b>165</b>	<b>6.5%</b>

**b. Differently abled employees and workers:**

S No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Differently abled employees</b>						
1.	Permanent (D)	0	0	0.0%	0	0.0%
2.	Other than Permanent (E)	0	0	0.0%	0	0.0%
<b>3.</b>	<b>Total differently abled employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Differently abled workers</b>						
1.	Permanent (F)	2	2	100%	0	0.0%
2.	Other than permanent (G)	0	0	0.0%	0	0.0%
<b>3.</b>	<b>Total differently abled workers (F + G)</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>0.0%</b>

**21. Participation/Inclusion/Representation of Women:**

	Total (A)	No. and the percentage of females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	3	0	0.0%

**22. Turnover rate for permanent employees and workers:**

	FY 2023-2024			FY 2022-2023			FY 2021-2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	30.0%	33.0%	31.0%	33.0%	33.0%	33.0%	31.0%	39.0%	31.0%
Permanent workers	3.0%	0.0%	3.0%	6.0%	0.0%	6.0%	3.0%	0.0%	3.0%

**V. Holding, Subsidiary and Associate Companies (including joint ventures):****23. (a) Names of holding/subsidiary/associate companies/joint ventures:**

S No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by the listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Zydus Lifesciences Limited	Holding Company	57.5%	No
2.	Zydus Wellness Products Limited			Yes
3.	Liva Nutritions Limited	Wholly owned subsidiary	100%	No*
4.	Liva Investment Limited			No*
5.	Zydus Wellness International DMCC, Dubai			Yes
6.	Zydus Wellness (BD) Pvt. Limited, Bangladesh			Yes

\* Do not have any physical operational activities.

**VI. CSR Details:****24. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes/No):** Yes**(ii) Turnover (in ₹):** 23,417 millions (Rupees Twenty Three Thousand Four Hundred Seventeen millions)**(iii) Net worth (in ₹):** 53,575 millions (Rupees Fifty Three Thousand Five Hundred Seventy Five millions)

## VII. Transparency and disclosures compliances:

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-2024		FY 2022-2023	
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year
Communities	Yes. <a href="https://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf">https://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf</a> and <a href="https://www.zyduswellness.com/investor/public-policy.pdf">https://www.zyduswellness.com/investor/public-policy.pdf</a>	0	0	0	0
Investors (other than shareholders)	Yes. Investors can connect with us on 079-48040000, 079-71800000 or send us an email at <a href="mailto:investorcommunication@zyduswellness.com">investorcommunication@zyduswellness.com</a> .	0	0	0	0
Shareholders	Yes. For lodgement of any documents or any grievances / complaints, members may contact the Company or Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company at 079-48040000, 079-71800000 or 079-26465179/86/87 or send email at <a href="mailto:investor.grievance@zyduswellness.com">investor.grievance@zyduswellness.com</a> or <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a> .	16	0	9	0
Employees and Workers	Yes. Mentioned in below policies. <a href="https://www.zyduswellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf">https://www.zyduswellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf</a> <a href="https://www.zyduswellness.com/investor/zwl-posh-policy-feb-20.pdf">https://www.zyduswellness.com/investor/zwl-posh-policy-feb-20.pdf</a> <a href="https://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf">https://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf</a>	0	0	0	0
Customers	Yes. The Company has a dedicated customer relationship cell to address customer related grievances. Customers can connect with us at 18001206868 for feedback & queries or send us an email at <a href="mailto:customercare@zyduswellness.com">customercare@zyduswellness.com</a>	1378	0	1196	0
Value Chain Partners	Yes. Vendor's grievances are addressed via email communication. Materials are supplied only after specifications are signed off with the vendor, and any non-conformance is assessed against these specifications. In the event of disagreement, meetings are convened to resolve issues against these specifications. In the event of disagreement, meetings are convened to resolve issues. Additionally, we have a policy in place which can be accessed at <a href="https://www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf">https://www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf</a>	0	0	0	0
Others (Please specify)	-	0	0	0	0

**26. Overview of the entity’s material responsible business conduct issues:**

**Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, and approach to adapt or mitigate the risk along with its financial implications, as per the following format:**

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Leadership and Corporate Governance	R/O	<p><b>Risk:</b> Inadequate corporate governance standards may hinder progress towards long-term strategic goals and expose organizations to reputational, operational, and legal risks. Upholding ethical behavior among stakeholders is crucial to maintaining trust, particularly in the health and wellness sector, and is integral to safeguarding the Company’s reputation and long-term viability.</p> <p><b>Opportunity:</b> Implementing strong corporate governance practices that prioritize transparency, accountability, and technological innovation can enhance business growth, reputation, and stakeholder trust, ultimately benefiting consumers.</p>	<p>The governance framework comprises the Board of Directors and its Committees at the highest tier, with an internal operational structure below. The CEO &amp; Whole Time Director operates under the oversight of the Board, overseeing the organization’s overall functioning. The Company adheres to Corporate Governance standards outlined in The Companies Act, 2013, and The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>Adopting proactive measures becomes paramount. Firstly, establishing clear lines of communication and accountability within the governance structure can enhance oversight and minimize potential pitfalls.</p> <p>Secondly, implementing robust policies and procedures aligned with regulatory requirements and industry best practices can mitigate risks associated with poor governance. Additionally, fostering a culture of transparency, integrity, and ethical conduct throughout the organization can mitigate reputational risks and enhance stakeholder trust. Regular monitoring and evaluation of governance practices, coupled with timely adjustments as needed, can further strengthen the organization’s resilience to such risks.</p>	<p><b>Positive:</b> Implementing effective Corporate Governance practices not only mitigates risks associated with safety, legal, performance, and warranty issues but also translates into tangible financial benefits. By streamlining processes and fostering transparency, unnecessary expenses can be minimized, allowing for more strategic allocation of resources towards innovation and growth initiatives.</p> <p>Furthermore, robust governance ensures financial security for stakeholders, shareholders, customers, staff, and the Board of Directors, fostering long-term stability and trust.</p> <p><b>Negative:</b> Failure to adhere to ethical business conduct regulations across operational geographies exposes the Company to significant financial risks and reputational damage. Non-compliance may result in hefty fines and sanctions imposed by the regulatory bodies, draining financial resources and tarnishing the Company’s reputation. The erosion of trust among customers and shareholders due to potential reputational damage can further exacerbate financial implications, impacting profitability and shareholder value. Therefore, prioritizing adherence to ethical standards and regulatory compliance is crucial to safeguarding financial health and preserving stakeholder trust.</p>



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Energy & Emissions	R/O	<p><b>Risk:</b> Effective energy and emissions management is crucial for the Company due to its direct impact on business performance and sustainability. Failure to actively address these areas can pose significant risks. Inadequate energy management may result in higher operational costs and decreased competitiveness in an increasingly environmentally conscious market. Failure to reduce emissions could lead to regulatory non-compliance, resulting in potential fines and penalties that harm the Company's reputation and brand image.</p> <p><b>Opportunity:</b> Conversely, effective energy and emissions management present opportunities for the Company to enhance its business performance and sustainability. By actively managing energy consumption and reducing emissions, the Company can minimize operational costs and strengthen its competitive position in the market. Adopting energy efficient technologies and renewable energy sources can lead to substantial cost savings and streamlined operational processes. Furthermore, by showcasing a commitment to sustainability initiatives and reducing environmental impact, the Company can attract environmentally conscious consumers, potentially leading to enhanced market penetration and revenue generation. This prioritization of sustainable practices demonstrates the Company's commitment to long-term resilience and financial success.</p>	<p>In addressing the risks associated with energy emissions, it's imperative to adopt a proactive approach to adapt and mitigate potential challenges. One strategy is to set clear targets for emission reduction, renewable energy adoption, and energy intensity reduction. For instance, the Company has established ambitious goals for the FY 2028-2029 compared to the base FY 2021-2022:</p> <ul style="list-style-type: none"> <li>- Including 15.0% reduction in emissions (Scope 1+2),</li> <li>- 15.0% increase in renewable energy usage, and</li> <li>- 20.0% decrease in energy intensity.</li> </ul> <p>To achieve these targets, the Company has implemented several initiatives.</p> <p>The Company has focused on enhancing energy efficiency through adoption of advanced technologies, optimizing energy usage across operations. Additionally, the Company has prioritized transitioning to greener fuels wherever feasible, further reducing its carbon footprint. We will see significant increase in the utilization of solar power from FY 2024-2025, leveraging renewable energy sources to reduce emissions.</p> <p>By implementing these measures, the Company aims to not only mitigate the risks associated with energy emissions but also contribute to environmental sustainability and long-term business resilience.</p>	<p><b>Positive:</b> Effective management of energy and emissions presents numerous positive financial implications for the Company. By reducing energy consumption and emissions, the Company can achieve significant cost savings through lower operational expenses, such as reduced energy bills and maintenance costs.</p> <p>Additionally, investing in renewable energy sources can provide long-term financial benefits by stabilizing energy costs and potentially generating revenue through renewable energy credits or selling excess energy back to the grid. Moreover, implementing energy-efficient technologies and practices can enhance operational efficiency, leading to improved productivity and profitability.</p> <p><b>Negative:</b> Conversely, neglecting to address energy and emissions management can result in negative financial implications for the Company. Increased energy consumption and emissions may lead to higher operational costs, diminishing profitability. Non-compliance with environmental regulations and emissions standards can result in fines, penalties, and legal expenses, negatively impacting the Company's financial performance and reputation. Additionally, failure to adapt to evolving consumer preferences for sustainable products and practices may lead to decreased market share and revenue loss. Overall, inadequate management of energy and emissions can pose significant financial risks to the Company's bottom line.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Business Ethics	R/O	<p><b>Risk:</b> The pursuit of profitability and business objectives may entice Companies to compromise on ethical standards. Ethical risks, such as human rights violations, corruption, environmental harm, or breaches of data privacy, can tarnish the Company's reputation and erode trust among consumers and investors.</p> <p><b>Opportunity:</b> Prioritizing ethical and sustainable practices presents an opportunity for the Company to cultivate trust among customers, investors, and stakeholders, establishing a competitive edge in the market. By embracing ethical practices, the Company can enhance financial performance, as customers and investors are more inclined to support and invest in ethically responsible companies.</p>	<p>Business ethics pose a significant risk, as any deviation from ethical standards can lead to reputational damage, loss of consumer trust, and legal consequences. To mitigate this risk, the Company prioritizes transparency, accountability, and integrity across all business operations. Implementing comprehensive compliance programs, providing ongoing ethics training, and fostering a culture of ethical behavior can help mitigate the risk of ethical breaches. Regular monitoring and enforcement of the "Code of Business Conduct" among partners, coupled with swift corrective action in case of violations, are essential steps to safeguarding the Company's reputation and maintaining stakeholder trust.</p> <p>Additionally, establishing clear communication channels for reporting ethical concerns and whistleblower protection mechanisms can encourage early detection and resolution of ethical issues. Ultimately, embedding ethical principles into the Company's core values and decision-making processes is crucial for effectively managing the risk of business ethics.</p>	<p><b>Positive:</b> Adhering to high ethical standards can yield numerous positive financial outcomes for the Company. By maintaining a reputation for integrity and trustworthiness, the Company can attract and retain loyal customers, leading to increased sales and revenue. Additionally, ethical business practices can enhance investor confidence, resulting in higher stock prices and greater access to capital. Moreover, companies with strong ethical cultures often experience lower employee turnover and recruitment costs, as employees are more likely to be engaged and motivated to contribute to the company's success.</p> <p><b>Negative:</b> Conversely, failing to prioritize business ethics can have detrimental financial consequences for the Company. Ethical lapses may lead to reputational damage, customer defection, and loss of market share, resulting in decreased sales and revenue. Legal fees, fines, and settlements stemming from ethical violations can also impose significant financial burdens on the company.</p> <p>Moreover, unethical behavior can erode employee morale and productivity, leading to higher turnover and decreased operational efficiency. Ultimately, the financial implications of neglecting business ethics can include decreased profitability, diminished shareholder value, and long-term damage to the company's bottom line.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Plastic and Waste Management	R/O	<p><b>Risk:</b> The indiscriminate use of plastic packaging presents a notable risk, not only to the environment but also to our Company's reputation. As consumers become increasingly mindful of environmental impact, failure to address plastic waste concerns may result in reputational damage and loss of consumer trust. Furthermore, regulatory authorities are tightening restrictions on plastic usage, increasing the risk of non-compliance, penalties and legal ramifications. Therefore, it is imperative for us to proactively mitigate these risks by adopting sustainable packaging alternatives and implementing effective waste management strategies.</p> <p><b>Opportunity:</b> Amidst the challenges posed by plastic waste, there are significant opportunities for innovation and advancement. By investing in alternative packaging materials and implementing efficient recycling initiatives, our Company can not only mitigate environmental risks but also achieve long-term cost savings and operational efficiency. Moreover, addressing plastic waste aligns with consumer preferences for environmentally friendly products, potentially enhancing brand reputation and market competitiveness. Embracing sustainability in packaging and waste management not only fulfills our social responsibility but also fosters innovation and drives positive change within our industry.</p>	<p>For the risks associated with plastic and waste management, it is essential to adopt proactive measures. This includes collaborating with government-approved waste collection agencies and recyclers, adhering to Extended Producer Responsibility (EPR) commitments, and setting ambitious targets for waste reduction and recycling. Additionally, investing in innovative packaging materials, promoting recyclable and reusable packaging, and exploring the use of recycled materials can help mitigate environmental risks and enhance sustainability efforts. We collaborate with government-approved waste collection agencies and recyclers to exceed our EPR commitments. In FY 2023-2024, we surpassed our EPR target by recycling and safely disposing 7392.2 tons of post-consumer plastic packaging waste, with an additional collection of 86.2 tons. We have initiated projects aimed at saving 280 tons of packaging material annually, contributing to our goal of reducing 1,000 tons over the next three years, starting from FY 2023-2024. Projects are underway to achieve this goal in various product lines such as Nycil bottles, Sugarfree powder concentrate bottles and caps, Complan Cartons, and Corrugated boxes. We are committed to transitioning from multi-material packaging (category 3) to multi-layer plastic material (category 2) and ultimately to fully recyclable materials by FY 2027-2028. Our efforts also include replacing aluminum-based plastic laminates with all-plastic laminates for Glucon D sachets. Moreover, we are exploring the use of Post-Consumer Recycled (PCR) material in product categories permitted by the Plastic Waste Management Act. Everyuth body lotion is currently being tested in PCR-based containers for potential integration of PCR material.</p>	<p><b>Positive:</b> Investing in effective plastic and waste management strategies can yield positive financial outcomes for the Company. By reducing packaging material usage and increasing recycling efforts, the Company can achieve cost savings through lower raw material expenses and waste disposal costs. Moreover, embracing sustainable practices can enhance brand reputation and consumer loyalty, potentially leading to increased sales and market share. Additionally, compliance with regulatory requirements and meeting EPR commitments can help avoid fines and penalties.</p> <p><b>Negative:</b> Neglecting plastic and waste management can result in negative financial consequences for the Company. Increased usage of packaging materials and inefficient waste management practices may lead to higher operational costs and waste disposal expenses. Furthermore, failure to address environmental concerns related to plastic waste can tarnish the Company's reputation and result in lost sales opportunities. Non-compliance with regulatory requirements may incur hefty fines and legal expenses, further impacting financial performance. Overall, the financial implications of inadequate plastic and waste management can include decreased profitability, reduced market competitiveness, and potential legal liabilities.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Human rights	R/O	<p><b>Risk:</b> According to the World Press Freedom Index India ranks 150<sup>th</sup> position in 180 nations globally in the Human Freedom Index, implying that the Companies currently operate in a region with high cases of human rights issues. Companies have a responsibility to ensure they respect of core human rights in the communities in which they operate. In particular, companies should ensure that no child labour, forced or bonded labour, or human trafficking occurs within their value chain.</p> <p><b>Opportunity:</b> By disclosing policies, practices and impacts on human rights allows businesses to proactively identify and address any human rights issues within operations. By engaging with stakeholders on Human rights fosters trust, build stronger relationships with all the stakeholders.</p>	<p>The Company is committed to providing fair opportunities at all levels, safe and healthy workplaces and protecting human health and the environment.</p> <p>The Company strives to provide a non-discriminatory and harassment-free workplace for all its employees and contractual staff. The Factories Act, 1948 provides the overarching framework for the Company's policy on human rights for the employees working in the Company's factory.</p>	<p><b>Positive:</b> By demonstrating a commitment to human rights in its operation, the Company can enhance reputation and get competitive advantage in the market. Consumers and Investors are increasingly considering human rights performance while purchasing and making investment decisions. By aligning with the human rights reporting, the Company can attract socially responsible consumers, Investors and partners who value human rights.</p> <p><b>Negative:</b> The Company has an extensive supply chain footprint regionally and globally. Ensuring respect for human rights throughout the value chain is essential to avoid reputational and financial damage.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Health & Nutrition	R/O	<p><b>Risk:</b> Ensuring safe production of consumer goods is crucial for maximizing public health benefits and maintaining consumer trust. Poor product quality can erode consumer confidence and negatively impact sales.</p> <p><b>Opportunity:</b> Growing consumer demand for healthier products presents a significant opportunity for the Company. By meeting market expectations and offering products that prioritize health and well-being, the Company can expand brand categories, increase market share, and adapt to evolving consumer preferences.</p>	<p>To address health &amp; nutrition risks, the Company adopts a comprehensive approach. Thorough research and testing, including clinical and preclinical studies, are prioritized to ensure that all products meet necessary nutrition requirements and safety standards. Additionally, stringent quality control measures are implemented, with regular monitoring and assessment throughout the production process to mitigate health risks effectively. Collaboration with experts such as nutritionists, dieticians, and healthcare professionals is also integral to ensuring that products align with health guidelines and consumer needs. Transparent labeling practices are employed, providing clear nutritional information and ingredient lists to consumers, enabling them to make informed choices. Furthermore, the Company invests in innovation, utilizing research findings to enhance product quality and meet evolving health and nutrition demands.</p> <p>The Company has established an Ethical and Responsible Marketing policy, which can be accessed at <a href="https://www.zyduswellness.com/investor/Ethical%20and%20Responsible%20Marketing%20Policy.pdf">https://www.zyduswellness.com/investor/Ethical%20and%20Responsible%20Marketing%20Policy.pdf</a></p>	<p><b>Positive:</b> Investing in health and nutrition initiatives can yield positive financial outcomes for companies. Providing products that align with consumer demand for healthier options can lead to increased sales and market share. Moreover, promoting health and nutrition can enhance brand reputation and consumer loyalty, driving long-term profitability. Additionally, by addressing health concerns proactively, companies can mitigate potential legal and regulatory risks, avoiding fines and penalties.</p> <p><b>Negative:</b> Neglecting health and nutrition concerns can result in negative financial consequences for companies. Failure to meet consumer demand for healthier products may lead to decreased sales and market share loss. Moreover, if products are found to pose health risks, companies may face lawsuits, recalls, and damaged brand reputation, resulting in significant financial losses. Additionally, non-compliance with health and nutrition regulations can lead to fines, legal expenses, and tarnished corporate image, impacting profitability and shareholder value.</p> <p>Overall, the financial implications of ignoring health and nutrition can include decreased revenue, increased costs, and diminished market competitiveness.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Accounting and financial reporting	R/O	<p><b>Risk:</b> Accounting and financial reporting can pose a risk if the Company engages in unethical practices or there is failure to comply with accounting and reporting standards specified by the regulators.</p> <p><b>Opportunity:</b> Accounting and financial reporting can present an opportunity to demonstrate Company's commitment to transparency, good corporate governance and ethical behavior. By providing accurate and complete financial, environmental and social impact information, the Company can build trust within stakeholders and business partners.</p>	<p>As a Listed Company it ensures compliance with applicable provisions of The Companies Act, 2013, The SEBI Regulations, Indian Accounting Standards and other applicable laws and regulations while prioritizing transparency and ethical behavior.</p> <p>The Company has designed and implemented a process driven framework for Internal Financial Controls.</p>	<p><b>Positive:</b> By disclosing information about financial, environmental and social impacts as per reporting frameworks and standards, Company can make more informed decisions about resource allocation and capital investment. This can lead to improved financial performance, increased shareholders value and stronger competitive advantage.</p> <p><b>Negative:</b> Failure to report accurate financial information, environmental and social indicators or misinterpretation of financial statements can result into significant financial losses, fines, penalties and damage to the reputation of the Company.</p>
8.	Privacy & Data Security	R/O	<p><b>Risk:</b> Data breaches and privacy violations can result in the legal and regulatory penalties, loss of customer's trust and reputational damage.</p> <p><b>Opportunity:</b> Privacy and data security can present an opportunity for the Company to demonstrate our commitment to ethical behavior and build customer trust.</p>	<p>The Company has adequate measures and control implemented to mitigate any probable or actual risk which may arise. The Company periodically carries out risk assessment and implements adequate measures. We are also in the process of implementing ISO 27001:2022 certification.</p> <p>The Risk Management Committee is presented on a periodical basis about steps taken for the compliance of The India Digital Personal Data Protection Act, 2023.</p>	<p><b>Positive:</b> By implementing strong privacy and data security measures, the Company assures stakeholders that their personal information is protected, building loyalty and improved reputation.</p> <p><b>Negative:</b> Data breaches can lead to financial losses such as the cost of investigating and repairing the breach, compensating affected stakeholders and potential fines and litigation.</p>

**Section B: Management and process disclosures**

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
<b>Policy and management processes</b>										
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs (Yes/No).	Yes <sup>1</sup>	Yes <sup>2</sup>	Yes <sup>3</sup>	Yes <sup>4</sup>	Yes <sup>5</sup>	Yes <sup>6</sup>	Yes <sup>7</sup>	Yes <sup>8</sup>	Yes <sup>9</sup>	
b. Has the policy been approved by the Board? (Yes/No).	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
c. Web Link of the policies, if available.	Policies can be accessed on the website of the Company under "Policies and Compliances" at <a href="https://www.zyduswellness.com/investors.php">https://www.zyduswellness.com/investors.php</a> .									
2. Whether the entity has translated the policy into procedures (Yes / No).	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
3. Do the enlisted policies extend to your value chain partners? (Yes/No).	Yes. Our Policies viz. ESG, Human Rights, Anti-Corruption and Bribery, Biodiversity, Occupational Health & Safety, Environment, and Code of Conduct for Vendors are extended to our Value Chain Partners. This demonstrates our commitment to upholding these standards across our entire network.									

**Disclosure Questions**

**P 1      P 2      P 3      P 4      P 5      P 6      P 7      P 8      P 9**

<sup>1</sup>We have adopted Anti-corruption & Bribery policy, Company's Code of Business Conduct and Ethics, Policy on Insider Trading, other HR policies and various other HR practices.

<sup>2</sup>We have adopted ESG Policy, Environment Policy and Code of Conduct for Vendors, which inter-alia relates to safe and sustainable products.

<sup>3</sup>We have Occupational Health & Safety and Corporate Health & Safety Policies for the wellbeing of employees.

<sup>4</sup>We have adopted CSR Policy and adhere strictly to our Code of Business Conduct & Ethics, ensuring the utmost consideration for stakeholder interests.

<sup>5</sup>We have adopted policies in place, including Human Rights and Prevention of Sexual Harassment of Women at Workplace to protect and address human rights issues.

<sup>6</sup>We have policies in place, including Environment Policy, Corporate Environment Health & Safety Policy and Biodiversity Policy to ensure the protection and restoration of environment.

<sup>7</sup>We are dedicated to upholding our Code of Business Conduct & Ethics with unwavering and strict adherence.

<sup>8</sup>We have implemented a CSR policy to advance inclusive growth and equitable development, alongside a Diversity & Inclusion policy for our Company and subsidiaries, ensuring equal and fair opportunities for all.

<sup>9</sup>The Company meets requirements through the introduction of innovative products and services. Additionally, it has adopted Ethical and Responsible Marketing Policy and Cybersecurity Policy and established a customer complaint redressal system to ensure effective redressal of complaints and customer satisfaction.

<b>4.</b>	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	The Company's manufacturing plants situated at Ahmedabad, Sikkim (Unit I & II) and Aligarh are accredited for FSSC 22000 and plants situated at Ahmedabad and Sikkim (Unit I & II) are ISO 14001:2015 & 45001:2018 certified, GMP certification as applicable, for validating process, quality consistency and food safety. Additionally as part of our ESG initiatives, beginning from the financial year 2021-2022, we have voluntarily participated in S&P Global Corporate Sustainability Assessment ("CSA").
<b>5.</b>	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has outlined specific targets for the FY 2028-2029 against the base year FY 2021-2022:- <ul style="list-style-type: none"> <li>• 15.0% Scope (1&amp;2) emission reduction</li> <li>• 15.0% increase in renewable energy</li> <li>• 20.0% energy intensity reduction</li> <li>• 15.0% reduction in water intensity</li> </ul> Additionally, we aim transition to fully recyclable multi-layer plastic for our packaging targeted by year FY 2027-2028 and our Goal is to decrease packaging material by 1,000 tons over the next 3 years, starting FY 2023-2024.
<b>6.</b>	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We have process in place to measure performance against target and the stated targets are achieved as below: <ul style="list-style-type: none"> <li>• Reduced scope 2 emissions by 2.0% Y-o-Y.</li> <li>• Reduced electricity consumption by 2.0% Y-o-Y.</li> </ul>

**Governance, leadership and oversight**

**7.** Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements:

As a leading FMCG organization, we are steadfast in our commitment to integrating responsible and sustainable practices into our operations. Our recent achievements underscore our dedication to this mission, as we progress towards our FY 2028-29 ambitions. We have successfully reduced scope 2 emissions and electricity consumption by 2.0% Y-o-Y. Moreover, our forthcoming 2MW solar power installation in FY 2024-2025 will further bolster our renewable energy consumption. We have also implemented ESG related policies to strengthen our ESG Governance practices. Our latest BRSR report encapsulates our sustainability approach and performance, showcasing our strides in reducing environmental impact, fostering social responsibility, and upholding ethical business standards. We are implementing various initiatives, from internal carbon footprint reduction goals to promoting social inclusion and diversity, demonstrating our holistic commitment to sustainability. As we expand our operations, sustainability remains a cornerstone of our strategy, driving us to innovate, collaborate, and uphold responsible practices. We firmly believe that sustainability is intrinsic to our business's success and the well-being of our planet and communities. Through ongoing efforts, we aim to forge a sustainable future for all, and we trust that our BRSR report will offer valuable insights into our sustainability journey.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Tarun Arora, Chief Executive Officer (“CEO”) and Whole Time Director (“WTD”).																	
9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.	<p>In FY 2022-2023, our Board of Directors (“Board”) transformed the “Corporate Social Responsibility Committee” into the “Corporate Social Responsibility and ESG Committee” to underscore our commitment to ESG principles. This Committee oversees ESG performance, strategies and initiatives, ensuring alignment with our long-term value creation goals. Its expanded mandate includes shaping ESG programs, endorsing public disclosures, making ESG related investment decisions and providing regular reports to the Board.</p> <p>The Committee is headed by Dr. Sharvil P. Patel (DIN: 00131995), Chairman of the Board who is a Non-Executive Director and comprises of Mr. Ganesh N. Nayak (DIN: 00017481), Non-Executive Director and Mr. Kulin S. Lalbhai (DIN: 05206878), Independent Director as members of the Committee.</p> <p>The Risk Management Committee (“RMC”) of the Board supports the Board in directing the risk management process, the controls and risk tolerance including sustainability (Environment, Social and Governance) related risks, information &amp; cyber security. The Board is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by the RMC.</p>																	
10. Details of Review of NGRBCs by the company:																		
Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ any other Committee									Frequency (Annually/Half yearly/ Quarterly/Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against the above policies and follow up action	The business responsibility performance of the Company is regularly monitored by the Company and reviewed by the Chairman and respective departmental heads.									The Board of Directors reviews it annually.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all the applicable laws and a statutory compliance certificate on applicable laws is provided by the CEO & WTD to the Board of Directors on a quarterly basis.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	The processes and compliances are assessed by independent Internal and Statutory auditors, as applicable. On a regular basis, the policies are reviewed and updated by senior functional heads and approved by the management, Committees of Directors or the Board. At our factories, we uphold rigorous standards, holding certifications in ISO 14001:2015, ISO 45001:2018, and FSSC 22000. Additionally in FY 2023-2024, we are conducting reasonable assurance for BRSR core parameters on a voluntary basis, ensuring transparency and accountability in our sustainability reporting.								



12. If the answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)						Not Applicable			
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

### Section C: Principle-wise performance disclosure

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in the respective category covered by the awareness programmes
Board of Directors and Key Managerial Personnel	4	<p>The Directors of the Company are briefed on the sustainability initiatives of the Company from time to time. The Directors are also updated on changes/developments in the domestic/global corporate and industry scenario.</p> <p>As a part of the familiarization programmes, the Directors of the Company at the time of their appointment are acquainted with the Company's Core Values, Code of Business Conduct and their roles and responsibilities as a Director along with the Company's operations / business and the industry in which it operates.</p> <p>During the meetings discussions are held on various topics including but not limited to business updates, innovation, new product launches, Risk Management, Governance, Compliance and Regulatory updates, ESG, insider trading etc.</p> <p>Further, at each meeting of the Board and Committees, the Directors and KMP are apprised, inter-alia, of the material developments in the Company and industry as a whole, including those pertaining to statutes/legislation and economic environment and on the matters affecting the Company, to enable them to take well informed and timely decisions.</p>	100%
Employees other than BoD and KMP	149	Prevention of Sexual Harassment of Women at the Workplace, Art of Feedback, Food Safety Training and Certification, SAP, Ownership mindset, Brand Science & Product detailing, Business Communication, Advanced microsoft excel, Comprehension Skills, Presentation Skills, My Performance My Ownership, Change Readiness, Passion Training.	100%
Workers	225	5S Awareness, Process Knowledge, Absenteeism & Productivity, Safety Awareness, Forklift operations, Autonomous Maintenance, 7QC Tools, Hold and Rework, Packing, Printer Handling, Material Handling, CEKA Machine Management, Use of Personal protective equipment, Handling & Storing and Fire Safety.	100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format:

(Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement	There have been no instances of fines and penalties imposed by the Statutory Authorities on the Company.				
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment	There have been no instances of fines and penalties imposed by the Statutory Authorities on the Company.			

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes, the Company has an anti-corruption and anti-bribery policy in place. Policy is uploaded on the website of the Company at <https://www.zyduswellness.com/investor/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf>.

5. Number of Directors/ KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2023-2024	FY 2022-2023
Directors		
KMPs	No such actions have been taken against our Directors/KMPs/employees/workers both for FY 2023-2024 and FY 2022-2023.	
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2023-2024		FY 2022-2023	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest: Not applicable.

8. Number of days of accounts payables [(Accounts payable\*365) / Cost of goods/services procured] as provided in the following format:

	FY 2023-2024	FY 2022-2023
Number of days of accounts payables	72.5	65.3

9. **Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties in the format provided:**

Parameter	Metrics	FY 2023-2024	FY 2022-2023
Concentration of Purchases*	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top ten trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	59.8%	63.0%
	b. Number of dealers / distributors to whom sales are made	1,320	1,337
	c. Sales to top ten dealers / distributors as % of total sales to dealers / distributors	8.2%	7.1%
Share of RPTs in**	a. Purchases (Purchases with related parties / Total Purchases)	0.0%	0.0%
	b. Sales (Sales to related parties / Total Sales)	0.6%	0.4%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.0%	0.0%
	d. Investments (Investments in related parties / Total Investments made)	0.0%	0.0%

\*For procurement of Packing Materials, we conduct 100% of our business directly with manufacturers, while for Raw Materials, we exclusively engage with authorized distributors and manufacturers.

\*\* Transactions were entered with Related Parties on arms length basis after approval of the Audit Committee and the Board of Directors.

### Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
-------------------------------------------	----------------------------------------------	-----------------------------------------------------------------------------------------------------------------

We have a process of conducting concurrent audits in all our Channel partners (Carrying and Forwarding Agents) whereby through a mechanism of questions and answers the major principles herein are covered. In the year under review, all our 24 CFA locations have undergone this audit on a monthly basis. For our vendors, we have a model risk assessment criteria based on a quality management system.

In FY 2023-2024 we have conducted below mentioned awareness / training programs for various value chain partners:

- i. Farmers:** In partnership with "Lutin Pharma" camps were organized for farmers, were they were informed about good animal husbandry practices, animal nutrition, clean milk production techniques, good handling practices, preparation of silage and feeding practice. The sessions were conducted in 25 neighbouring villages of the Aligarh plant and 1,600 farmers were enrolled under this activity and distributed 12,000 large deworming, 6,000 small deworming and 1,500 mineral mixture packets. Also, farmer's helpline is started to resolve issues related to animals' health and feeding.
- ii. Carrying and Forwarding Agents:** 30 man hours were spent for providing training on topics like goods storage practices / precautions for products required to be stored during off season.
- iii. Co-Packers:** 161 man hours were spent for providing training on topics like coding, sleeving, capping defect, food safety, handling, cleaning, hygiene, sanitation, good manufacturing practices, product traceability and sampling.
- iv. Distributors:** Training on automation of distribution management system for accurate and timely submission of reports and claims, which is an ongoing process and we continuously upgrade our systems to synchronize with time and requirements.

2. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No). If Yes, provide details of the same:**

Yes. The Company has adopted "Code of Business Conduct and Ethics", which expects Directors and Senior Management to disclose actual and potential conflicts of a material nature with the interests of the Company and they submit their affirmation for the compliance with the Code on an annual basis. Additionally, all Directors and Senior Management employees are expected to not engage in any business, relationship or activity which might detrimentally conflict with the interest of the Company and not divert to his / her advantage any business opportunity that the Company is in pursuit. The Code is available on the website of the Company at <https://www.zyduswellness.com/investor/code-of-business-conduct-and-ethics-policy.pdf>.

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

	FY 2023-2024	FY 2022-2023	Details of improvements in environmental and social impacts
R&D	100%	100%	During the year under review, we have invested in developing capability for non-destructive testing of plastic components which helps us in reducing the weight of components. In the product development front R&D has been working on formulations that enable lower use of energy during production enabling GHG reduction. We are also working towards reducing sugar per serving in its flagship product to improve overall health and wellness aspects.
Capex	44.0%	51.2%	We have undertaken several sustainable projects to increase energy efficiency which resulted into savings of 5.95 lakhs kWh in FY 2023-2024, which includes projects viz. refurbishment of electro static precipitator, replacement of boiler bed coils, installation of variable frequency drive, replacement of air compressor from lower to higher capacity, conversion of scattered to centralized manufacturing activities and replacement of old electronic items.  We have also undertaken water conservation projects by re-using and recycling water, resulting into savings of 2.0% ground water consumption / ton at Aligarh plant and 4.3% surface water consumption at Ahmedabad and Sikkim plants. Also we have undertaken other projects viz. zero liquid discharge and upgradation of effluent treatment plant (ETP).

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No). b. If yes, what percentage of inputs were sourced sustainably?**

Yes. Currently, our vendor evaluation process relies on a quality checklist, and vendor audits are conducted for all vendors during onboarding as part of organizational initiatives. However, we recognize the importance of integrating Sustainable Sourcing performance factors into our vendor selection process. Moving forward, we plan to incorporate these factors into our vendor selection criteria.

In our initial assessment, we had sent an ESG Vendor checklist to our top 14 critical vendors, selected based on material criticality and business volume. They account for 25.0% of our total vendor value. The results show 43.0% of our vendors are certified with Forest Stewardship Council, Roundtable on Sustainable Palm Oil and have an Animal Welfare policy in place. Moving forward, we aim to extend this assessment to all our vendors to ensure comprehensive coverage and adherence to sustainable sourcing practices.

A “Code of Conduct for Vendors” has been adopted by the Company, which sets forth the basic requirements expected from the Vendors to respect and adhere to the policy while conducting business with the Company and the code is available on the website of the Company at <https://www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf>.

We use electronic platform for bidding process to procure highest quality material at a reasonable price which has bearing on long term sustainable sourcing.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

The waste generated in the Company’s manufacturing operations is recycled/reused to the extent possible. Waste is recycled by authorized third party agencies and records of the same are maintained at all our plants. Additionally, the Company’s manufacturing facility has its own Effluent Treatment Plant, which ensures discharge of waste below the norms prescribed by the Pollution Control Board. Important raw materials and solvents are recovered and reused. It is a part of operational management.

In line with the Ministry of Environment, Forest and Climate Change’s notification on Extended Producers Responsibility, we have strengthened our approach to the management of plastic packaging. Additionally, we have also undertaken design level changes to our products to reduce the raw materials used in their manufacturing.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:**

Yes, EPR applies to the Company’s activities and the waste collection plan is in line with the EPR action plan submitted to Central Pollution Control Board (“CPCB”).

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No). If yes, provide the web-link
The Company hasn't conducted LCA for any of its products.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:

Name of product/service	Description of the risk/concern	Action taken
Not applicable.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Paper	100%	100%

4. Of the products and packaging reclaimed at end of life of products, the amount (in metric tonnes) reused, recycled, and safely disposed of:

	FY 2023-2024			FY 2022-2023		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	-	7392.2	-	-	2431	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category					
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In line with the Plastic Waste Management (PWM) Rules and the national guidelines on Extended Producer Responsibility (EPR), the Company has partnered with authorized Waste Management Agency for collection, recycling, co-processing and safe disposal of pre & post-consumer waste.

All our products which are expired or damaged and cannot be consumed, are not sold to the vendors for feeding cattle / consumption and are taken back from trade, audited by government approved agencies and disposed off as per the guidelines enumerated in the internal policy and adhering to the local laws and rules. Proof of products destroyed is maintained by the Company. Thereby, we ensure safe disposal of expired or damaged products.

### Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	725	698	96.3%	698	96.3%	0	0.0%	698	96.3%	0	0.0%
Female	49	43	87.8%	43	87.8%	43	87.8%	0	0.0%	13	26.5%
<b>Total</b>	<b>774</b>	<b>741</b>	<b>95.7%</b>	<b>741</b>	<b>95.7%</b>	<b>43</b>	<b>5.5%</b>	<b>698</b>	<b>90.2%</b>	<b>13</b>	<b>1.7%</b>
<b>Other than permanent employees</b>											
Male	33	33	100%	33	100%	0	0.0%	0	0.0%	0	0.0%
Female	11	11	100%	11	100%	11	100%	0	0.0%	4	36.4%
<b>Total</b>	<b>44</b>	<b>44</b>	<b>100%</b>	<b>44</b>	<b>100%</b>	<b>11</b>	<b>25.0%</b>	<b>0</b>	<b>0.0%</b>	<b>4</b>	<b>9.1%</b>

**Note:** In case of other than permanent employees Health and Accident Insurance is taken by the Contractor.

**b. Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	233	222	95.3%	222	95.3%	0	0.0%	222	95.3%	0	0.0%
Female	1	1	100%	1	100%	1	100%	0	0.0%	0	0.0%
<b>Total</b>	<b>234</b>	<b>223</b>	<b>95.3%</b>	<b>223</b>	<b>95.3%</b>	<b>1</b>	<b>0.4%</b>	<b>222</b>	<b>94.9%</b>	<b>0</b>	<b>0.0%</b>
<b>Other than Permanent workers</b>											
Male	2,153	2,153	100%	2,153	100%	0	0.0%	0	0.0%	0	0.0%
Female	164	164	100%	164	100%	164	100%	0	0.0%	0	0.0%
<b>Total</b>	<b>2,317</b>	<b>2,317</b>	<b>100%</b>	<b>2,317</b>	<b>100%</b>	<b>164</b>	<b>6.6%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

**Note:** In case of other than permanent workers Health and Accident Insurance is taken by the Contractor.

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2023-2024	FY 2022-2023
Cost incurred on wellbeing measures as a % of total revenue of the company	0.2%	0.2%

**2. Details of retirement benefits:**

Benefits	FY 2023-2024			FY 2022-2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	3.0%	100%	Yes	5.0%	100%	Yes
Others – please specify						
National Pension Scheme	8.0%	N.A.	Yes	8.0%	N.A.	Yes
Superannuation	3.0%	N.A.	Yes	4.0%	N.A.	Yes

**3. Accessibility of workplaces:**

**Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:**

Yes. The premises/offices of the Company are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy:**

The Company is an equal opportunity employer. We treat all job applicants fairly and do not support any form of unlawful discrimination. We respect all related laws in our employment decisions and do not discriminate against individuals based on race, color, gender, age, national origin, religion, sexual orientation, gender identity or expression, marital status or disability. However, the emphasis will continue to remain on merit, skill fitment and business requirement.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave:**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	84.6%	73.3%	N.A	N.A
Female	66.7%	100%	N.A	N.A
<b>Total</b>	<b>81.2%</b>	<b>76.5%</b>	<b>N.A</b>	<b>N.A</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief:

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Whistle Blower Policy is in place for reporting instances of unethical behavior, improper practices, actual or suspected fraud or violation of the Company's code of conduct and leakage of unpublished price sensitive information, which is available on the website of the Company at <a href="https://www.zyduwellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf">https://www.zyduwellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf</a> .
Other than Permanent Workers	No.
Permanent Employees	Yes, Whistle Blower Policy is in place for reporting instances of unethical behavior, improper practices, actual or suspected fraud or violation of the Company's code of conduct and leakage of unpublished price sensitive information, which is available on the website of the Company at <a href="https://www.zyduwellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf">https://www.zyduwellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf</a> .
Other than Permanent Employees	Yes. <ul style="list-style-type: none"> <li>a) Aligarh Plant: The grievances of on roll workers are redressed through Zydu Wellness Association in conjunction with Unit HR Head on a regular basis, whereas the grievances of contract workers are redressed through Contractor and unit HR Head. In addition, we have 5 (five) number of suggestion boxes to redress the grievances reviewed by regular MIS.</li> <li>b) Ahmedabad Plant: There is a provision of Grievance Register wherein grievances are registered and addressed. 2 (two) number of suggestion boxes are placed at prominent place in the unit. Suggestion boxes are opened, reviewed and addressed periodically.</li> <li>c) Sikkim Plant: 6 (six) number of suggestion boxes are placed in the prominent location. The suggestions are reviewed and implemented to address before development of grievances.</li> </ul>

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-2024			FY 2022-2023		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association (s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	<b>774</b>	<b>0</b>	<b>0.0%</b>	<b>748</b>	<b>0</b>	<b>0.0%</b>
- Male	725	0	0.0%	705	0	0.0%
- Female	49	0	0.0%	43	0	0.0%
<b>Total Permanent Workers</b>	<b>234</b>	<b>163</b>	<b>69.6%</b>	<b>227</b>	<b>165</b>	<b>72.7%</b>
- Male	233	163	69.6%	226	164	72.6%
- Female	1	1	100%	1	1	100%

8. Details of training given to employees and workers:

Category	FY 2023-2024				FY 2022-2023					
	Total (A)	On health and safety measures		On Skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	758	83	11.0%	614	81.0%	731	112	15.3%	574	78.5%
Female	60	1	1.7%	60	100%	53	1	1.9%	13	24.5%
<b>Total</b>	<b>818</b>	<b>84</b>	<b>10.3%</b>	<b>549</b>	<b>67.1%</b>	<b>784</b>	<b>113</b>	<b>14.4%</b>	<b>587</b>	<b>74.9%</b>
<b>Workers</b>										
Male	2,551	2,551	100%	1,729	67.8%	2,337	2,337	100%	369	15.8%
Female	165	165	100%	57	34.5%	176	176	100%	46	26.1%
<b>Total</b>	<b>2,716</b>	<b>2,716</b>	<b>100%</b>	<b>1,786</b>	<b>65.8%</b>	<b>2,513</b>	<b>2,513</b>	<b>100%</b>	<b>415</b>	<b>16.5%</b>

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2023-2024			FY 2022-2023		
	Total (A)	No. (B)	%(B / A)	Total (C)	No. (D)	%(D/C)
<b>Employees</b>						
Male	758	725	95.6%	731	705	96.4%
Female	60	49	81.7%	53	43	81.1%
<b>Total</b>	<b>818</b>	<b>774</b>	<b>94.6%</b>	<b>784</b>	<b>748</b>	<b>95.4%</b>
<b>Workers</b>						
Male	2,551	233	9.1%	2,337	226	9.7%
Female	165	1	0.6%	176	1	0.6%
<b>Total</b>	<b>2,716</b>	<b>234</b>	<b>8.6%</b>	<b>2,513</b>	<b>227</b>	<b>9.0%</b>

**10. Health and safety management system:****a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?**

Yes. The Company follows all applicable rules and regulations directed by Authorities for Employees' Health and Safety and it is covered at the group level including all the plants. The Company has adopted Occupational Health and Safety Policy which is available on the website of the Company at <https://www.zyduswellness.com/investor/Occupational%20Health%20and%20Safety%20Policy.pdf>.

The safety and wellbeing of our employees is of utmost importance to us. We continuously strive to promote safe practices to be followed by all our employees. We are committed to implementing and monitoring relevant requirements set forth by ISO standards for our plants. Our manufacturing plants at Ahmedabad and Sikkim are ISO 45001:2018 (OH&S) certified. We have established Occupational and Health centers, equipped with Ambulance facilities, at all our plants to serve 24\*7.

In FY 2023-2024 we have invested 2,183 man-hours in training our employees on topics related to safety practices at the workplace. In FY 2023-2024, zero fatalities occurred and zero lost days were recorded across all the plants.

**b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company has a centralized Environment, Health and Safety ("EHS") Cell, both at a group and the plant level to identify work related hazards and assess risks on a routine and non-routine basis. All relevant updated EHS documents, guidelines, policies, SOPs, and checklists are being regularly updated to the employees through this EHS portal and necessary compliance perspective actions are tracked. Further, at regular intervals, EHS interactions like seminars, group meetings, focused training etc. are organised for awareness amongst all levels of employees. At the group level, the Corporate EHS team has created EHS Software viz. "Zysafe" for EHS governance and to monitor all EHS related Activities.

**c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks (Yes/No):**

Yes. The company has a legal obligation to provide a safe and healthy work environment to the employees. Part of this responsibility involves establishing procedures for reporting hazards and removing workers from hazardous situations. The company carries out following activities to create process for workers to report work related hazards and remove themselves from the risk:

- i. Identify and assess all potential hazard at workplace to develop hazard reporting procedures.
- ii. Training given to employees to identify hazards and how to remove themselves from hazardous situations.
- iii. Encourage employees to report the hazard and potential hazards wherever possible and ensure workers are not punished or retaliated against reporting hazards.
- iv. Investigation of hazards and implement appropriate measure to avoid re-occurrence of the hazards.
- v. We have a well-designed EHS Software named Zysafe which is used for reporting of Unsafe act, Unsafe conditions. We regularly monitor and review the hazards reporting and removal process to ensure that it is effective and to make any necessary improvements.

The Company celebrates EHS campaigns like National Safety Month, Fire Safety Month, World Environment Day and also celebrates theme based EHS campaigns like Electrical Safety, Slip & Trip, Machine Safety etc.

**d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No):**

Yes. 100% of our Permanent workers and employees have access to non-occupational medical and health care services through Health Insurance. We recognize that access to healthcare services is a fundamental human right



and we are committed to providing our employees and workers with access to quality healthcare services through below mentioned measures:

- i. Providing permanent employees / workers and their loved ones with comprehensive health insurance which includes coverage for non-occupational medical and healthcare services.
- ii. On-site medical clinics that are staffed by qualified medical professionals to provide medical care and treatment to the employees/ workers.
- iii. Telemedicine services that allow employees and workers to consult with medical professional remotely, providing them with access to medical care and treatment from the comfort of their homes or workplaces.
- iv. Conducting programs for the employees and workers to help them maintain their physical and mental health. These programs include fitness classes, stress management programs and nutrition counselling.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-2024	FY 2022-2023
Lost Time Injury Frequency Rate (LTIFR) (per one millions-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

**12. Describe the measures taken by the entity to ensure a safe and healthy work place:**

The Company follows all applicable rules and regulations directed by Authorities for Employees' Health and Safety and it is covered at the group level.

We strive to promote safe practices across our operational units and encourage employees to abide by set practices. We are committed for implementing and monitoring relevant requirements set forth by ISO 14001:2015 and ISO 45001:2018 standards at our majority of plants.

The health and safety governing mechanism involves an EHS Committee composed of all department HODs, chaired and reviewed by the Head, Manufacturing. The governing mechanism is strengthened by the Board authorized Corporate EHS policy. To permanently establish a culture of safety, we have instituted an Employee Health and Safety Index across all our locations.

A dedicated Safety personnel has been identified at each of our plants, who is responsible for implementing and monitoring the performance of safety management system.

In FY 2023-2024 we have invested 2,183 man-hours in training our employees on topics related to safety practices at the workplace. In FY 2023-2024, zero fatalities occurred and zero lost days were recorded across all the plants.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2023-2024			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions:**

Our Sikkim and Ahmedabad plants are undergoing third-party assessments, while Aligarh plant is being assessed internally by an independent audit team, focusing on health and safety. Additionally, we had no reportable incidents during the year.

**Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of the death of:

(A) Employees (Y/N): Y

(B) Workers (Y/N): Y

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

The Company has a robust control system and conforms to all laid down laws of the land.

It has an efficient tax system to track and control and reconcile that Goods and Services Tax ("GST"), Tax Deducted at Source ("TDS") and Tax Collected at Source ("TCS") have been duly recorded, levied by the suppliers and deposited with the relevant statutory authorities. During the financial year 2023-2024, ₹ 1,645.80 millions towards GST and ₹ 238.32 millions towards TDS and TCS were deposited with relevant statutory authorities. Further, the system also assists us to check if the TDS have been duly deducted by the Customers and paid to the relevant statutory authorities, wherever applicable.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-2024	FY 2022-2023	FY 2023-2024	FY 2022-2023
Employees				
Workers			Nil	

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No):

Yes. In case of retirement of employee on a case to case basis, the Company provides extended service to the employees as a retainer / consultant and also in case of termination of employee the Company provides career counselling.

5. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety conditions	
Working conditions	25.0%*

\*We have sent an ESG checklist as a preliminary assessment to our top 14 critical vendors. Going forward, we will implement a plan to assess all the vendors.

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners:

No risks were identified.

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders:**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company actively engages with key stakeholders through open and constructive communication, fostering business development. Stakeholder identification and prioritization occurred during the FY 2021-2022 materiality assessment, aligning with global standards like GRI Sustainability Reporting Guidelines and the National Guideline for Responsible

Business Conduct (NGBRC). Our priority stakeholders include Customers, Employees, Suppliers & Vendors, Investors and Shareholders, Channel Partners, Communities, Government and Regulators, and Industry Associations.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers	The Company has not identified their stakeholders as vulnerable or marginalized	Digital Platforms, Advertisements, Newspaper, Surveys, Consumer feedback division to address queries and grievances through email and call, Website.	Continuous	Product quality and safety, information on products, consumer satisfaction and feedback, complaints and queries.
Employees		Employees connect initiatives, One-on-one performance reviews, induction, Various learning and development initiatives, Quarterly townhalls addressed by the CEO & WTD, Newsletters, Employee feedback programme, recognition and rewards, employee referral program and internal job posting.	Continuous	Employees interests in delivering short-term and long-term business objectives, health and wellness, growth opportunities, learning and development.
Suppliers and Vendors		Meetings, Assessment, Facility visits, Audit, Notification in case of change in applicable law / regulations.	Continuous	We uphold stringent standards in our supplier relationships to guarantee top-notch quality, food safety, and timely availability essential for smooth business operations. Regular communication with our diverse suppliers ensures these standards are consistently met. Moreover, we have implemented a systematic supplier audit process, conducted at regular intervals to ensure adherence to quality and regulatory requirements. In addition to these measures, our extensive network includes 30,000 milk farmers who supply milk to 35 collection centers in and around the Aligarh area daily, further emphasizing our commitment to reliability and excellence.
Investors and Shareholders		Quarterly investor conference calls, Press Release, Investor presentations, Annual General Meeting and publishing Annual Report, Addressing investor grievances through Stakeholders' Relationship Committee, Attending investor conferences, roadshows and one-on-one investor meetings, Announcement on Stock exchanges and uploading information on the website of the Company.	Monthly/ Quarterly/ Annually	The Company interacts with the Investors and Shareholders to share the financial performance, achievements, challenges, product innovations / launches and future roadmap. We have dedicated email id for Institutional Investors and Shareholders for resolving their queries and grievances.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Channel Partners	The Company has not identified their stakeholders as vulnerable or marginalized	Meetings, Facility visits, Audits, Digital communication, monthly reviews and Notification in case of change in applicable law / regulations.	Continuous	The Channel partners (Distributors, CFAs and Transporters) are important for the Company as they play crucial role in their individual capacities for distribution of our products to different geographies. Meetings and discussions with them are done on a continues basis for seamless and smooth conduct of our business activities.
Communities	Yes	Visits to community site and Digital Channels.	Continuous	The Group engages with the community by understanding and serving the needs of the patients, and we bring world-class medical education to the rural interiors of Gujarat through our own medical college and hospital at Dahod. Also, we provide free treatment for patients, including OPD, indoors, all investigations, surgeries, anesthesia, oral medicines, injectable and food.
Government and Regulators	No	Meetings, Conferences and official Communications.	Need Basis	Obtaining permissions, licenses, clarifications, waivers, approvals, compliances etc.
Industry Associations	No	Industry Conferences and Representations on policy matters.	Need Basis	The Company interacts with Government / Regulatory Authorities on any public policy framework through apex industry institutions like The Confederation of Indian Industry, Federation of Indian Chambers of Commerce & Industry etc. The Company puts forth its views on new standards or regulatory developments pertaining to the FMCG industry, broadly in the areas concerning access to nutrition, health and well-being, best practices, corporate governance, etc.

### Leadership Indicators

#### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:

The Company conducted a comprehensive materiality assessment exercise in financial year 2021-2022 and this will be undertaken every 2 years. This exercise involves gathering feedback and input stakeholders to determine what aspects are significant to the business. The Company fosters open and constructive dialogue on economic, environmental, and social matters with diverse stakeholders through tailored consultation methods. Internal and external stakeholders are engaged via specific channels, with external consultations often involving benchmarking to showcase best practices and improve our ESG initiatives. Feedback from these consultations is regularly shared with the Board during quarterly meetings.

To facilitate the engagement, we have established several committees dedicated to key areas of concern. The CSR and ESG Committee assesses our performance in environmental, social and governance matters, overseeing the implementation of relevant policies and strategies to drive sustainable practices, formulating and recommending to the Board CSR policy, monitoring CSR budget allocation, activities and expenditure to ensure alignment with our commitment to social responsibility.

Stakeholders' Relationship Committee is entrusted with evaluating statutory compliances and services related to non-receipt of Annual Report and dividend, transfer / transmission etc. and review the performance of Registrar and Transfer Agent, thereby enhancing trust and transparency in our interactions.

In line with our dedication to shareholder engagement, we offer the Institutional Investors and Analysts the opportunity to interact with the Chairman and CEO quarterly through post earnings call and to interact with all Board members annually during the Annual General Meeting. This forum allows us to stay attuned to the evolving needs and concerns of our stakeholders, reinforcing our pledge to remain accountable and responsive to their interests.

Our engagement with vendors includes the use of an ESG checklist to evaluate their performance and compare against ESG related certifications and labels.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity:**

Yes. In FY 2021-2022, we conducted a comprehensive materiality assessment involving key stakeholders to identify the company's most significant issues. Through this exercise, we gained valuable insights into stakeholder priorities and areas of concern. For further details on our materiality assessment, you can refer to the ESG report available on the Company's website at <https://www.zyduswellness.com/investor/ESG-Report-FY-22-23.pdf>.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups:**

The Company recognizes the importance of engaging with and addressing the concerns of vulnerable and marginalized stakeholder groups. We believe that by working closely with these groups, we can better understand their unique needs and perspectives and take meaningful action to support their social and economic inclusions.

We conduct event-based engagement that are either statutory in nature or serves as part of our internal programme. The Group continues to create healthier, happier communities globally. Zydus Shrishti, the Group's CSR programme focuses in the areas of health, education and research. Making a difference to serve the needs of the patients and bring world-class medical education to the rural interiors of Gujarat, Zydus Foundation has set up the Zydus Medical College and Hospital at Dahod.

Also, we have implemented community development programs that are specifically designed to support local dairy farmers. By these programs we encourage dairy farmers to participate in dairy development camps conducted with support of subject matter experts. In FY 2023-2024 we have conducted awareness programs for farmers in partnership with "Lutin Pharma" at Aligarh. In these camps, farmers were informed about good animal husbandry practices, animal nutrition, clean milk production techniques, good handling practices, preparation of silage and feeding practice. The sessions were conducted in 25 neighboring villages of the Aligarh plant and 1,600 farmers were enrolled under this activity and distributed 12,000 large deworming, 6,000 small deworming and 1,500 mineral mixture packets. Also, farmer's helpline is started to resolve issues related to animals' health and feeding. In FY 2023-2024 ₹ 1.01 millions (Rupees One millions Ten Thousand only) was spent on cattle development camps.

**Principle 5: Businesses should respect and promote human rights.**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

Category	FY 2023-2024			FY 2022-2023		
	Total (A)	No. of employees/workers covered (B)	% (B/ A)	Total (C)	No. of employees/workers covered (D)	% (D/ C)
<b>Employees</b>						
Permanent	774	774	100%	748	748	100%
Other than permanent	44	44	100%	36	36	100%
<b>Total employees</b>	<b>818</b>	<b>818</b>	<b>100%</b>	<b>784</b>	<b>784</b>	<b>100%</b>
<b>Workers</b>						
Permanent	234	234	100%	227	227	100%
Other than permanent	2,317	2,317	100%	2,286	2,286	100%
<b>Total workers</b>	<b>2,551</b>	<b>2,551</b>	<b>100%</b>	<b>2,513</b>	<b>2,513</b>	<b>100%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-2024					FY 2022-2023				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/ A)	No. (C)	% (C/ A)		No. (E)	% (E/ D)	No. (F)	% (F/ D)
<b>Employees</b>										
<b>Permanent</b>	<b>774</b>	<b>0</b>	<b>0.0%</b>	<b>774</b>	<b>100%</b>	<b>748</b>	<b>0</b>	<b>0.0%</b>	<b>748</b>	<b>100%</b>
Male	725	0	0.0%	725	100%	705	0	0.0%	705	100%
Female	49	0	0.0%	49	100%	43	0	0.0%	43	100%
<b>Other than permanent</b>	<b>44</b>	<b>0</b>	<b>0.0%</b>	<b>44</b>	<b>100%</b>	<b>36</b>	<b>0</b>	<b>0.0%</b>	<b>36</b>	<b>100%</b>
Male	33	0	0.0%	33	100%	26	0	0.0%	26	100%
Female	11	0	0.0%	11	100%	10	0	0.0%	10	100%
<b>Workers</b>										
<b>Permanent</b>	<b>234</b>	<b>0</b>	<b>0.0%</b>	<b>234</b>	<b>100%</b>	<b>227</b>	<b>0</b>	<b>0.0%</b>	<b>227</b>	<b>100%</b>
Male	233	0	0.0%	233	100%	226	0	0.0%	226	100%
Female	1	0	0.0%	1	100%	1	0	0.0%	1	100%
<b>Other than permanent</b>	<b>2,317</b>	<b>531</b>	<b>22.9%</b>	<b>1,786</b>	<b>77.1%</b>	<b>2,286</b>	<b>492</b>	<b>21.5%</b>	<b>1,794</b>	<b>78.5%</b>
Male	2,153	367	17.0%	1,786	83.0%	2,111	317	15.0%	1,794	85.0%
Female	164	164	100%	0	0.0%	175	175	100%	0	0.0%

3. Details of remuneration/salary/ wages, in the following format:

a. Median remuneration/wages: (₹ in Millions)

	Male		Female	
	Number	Median remuneration/salary/ wages of the respective category	Number	Median remuneration/salary/ wages of the respective category
Board of Directors (BoD)*	8	1.05	1	1.40
Key Managerial Personnel*	3	16.30	0	-
Employees other than BoD and KMP	725	1.34	-	1.76
Workers	233	0.74	1	0.25

\* Includes Mr. Tarun Arora, CEO & WTD.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-2024	FY 2022-2023
Gross wages paid to females as % of total wages	5.4%	6.4%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No): Yes

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues:**

At Zydus, we prioritize human rights across our operations, striving for a safe and inclusive work environment while preventing issues like child labor, forced labor, and discrimination. Our Human Rights Policy extends to all employees, including part-time and contractual workers, and we require the same commitment from our value chain partners. We conduct regular risk assessments to identify and address potential human rights risks, incorporating stringent due diligence processes. To ensure accountability, we have established grievance redressal policies such as the Human Rights Policy, Whistle Blower Policy, Prevention of Sexual Harassment of Women at Workplace Policy and Code of Conduct for Vendors. The human rights concerns/grievances can be reported to the Immediate Supervisor, Head of Department or Human Resources department. We believe that businesses play a vital role in upholding human rights, and we are committed to promptly addressing any concerns raised by stakeholders. The Human Rights Policy is available on the website of the Company at <https://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf>.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2023-2024			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment						
Discrimination at workplace						
Child labour						
Forced Labour/Involuntary Labour		Nil			Nil	
Wages						
Other human rights related issues						

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-2024	FY 2022-2023
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)		
Complaints on POSH as a % of female employees/ workers	Nil	Nil
Complaints on POSH upheld		

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:**

The Company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. It encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Committees have been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required. The Company is committed to ensure that no employee who brings forward a Sexual Harassment concern is subject to any form of reprisal. Any reprisal will be subject to disciplinary action. The Company ensures that the victim or witnesses are not victimized or discriminated against while dealing with complaints of Sexual Harassment. However, anyone who abuses the procedure are subject to applicable disciplinary action by the Company. Also, awareness sessions are organized for all employees at regular intervals.

Also, Company has in place, a Whistle Blower policy which provides necessary safeguards to all Whistle Blowers for making disclosures in Good Faith and any other employee assisting the investigation.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No):**

Yes. Agreements provide for compliance with accepted standards on issues related to EHS, Human Rights and labour practices. Additionally, the Company has adopted "Code of Conduct for Vendors". This requires suppliers to comply with labour laws, environmental regulations, and uphold human rights and principles of ethics and integrity in their operations. All Suppliers are expected to meet the requirements of this Code. Additionally, the Vendor Code of Conduct is a mandatory requirement for all our suppliers and forms an integral part of their contract and a link of the code is also mentioned in purchase order.

**10. Assessments of the year:**

	<b>% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)</b>
Child labour	No plants and offices were assessed for human rights issues.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above:** Not applicable.

**Leadership Indicators**

- 1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints:**  
Not applicable.
- 2. Details of the scope and coverage of any Human rights due diligence conducted:** No Human rights due diligence was conducted.
- 3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?** Yes
- 4. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual harassment	25.0%*
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

\*We have sent an ESG checklist as a preliminary assessment to our top 14 critical vendors. Going forward, we will implement a plan and designate an executive to assess all the vendors.

**5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above:**  
No risks identified.



## Principle 6: Businesses should respect and make efforts to protect and restore the environment.

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter (In Gigajoules)	FY 2023-2024	FY 2022-2023
<b>From renewable sources</b>		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)*	3,62,550	4,34,382
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>3,62,550</b>	<b>4,34,382</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	44,235	45,095
Total fuel consumption (E)**	3,24,132	69,505
Energy consumption through other sources [F]	Nil	Nil
<b>Total energy consumed from non-renewable resources (D+E+F)</b>	<b>3,68,367</b>	<b>1,14,600</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>7,30,917</b>	<b>5,48,982</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumption / Revenue from operations in millions)	<b>31.4</b>	<b>24.3</b>
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations in millions adjusted for PPP)	<b>703.3</b>	<b>539.8</b>
<b>Energy intensity in terms of physical output (GJ / MT)</b>	<b>9.60</b>	<b>8.64</b>

\*Energy consumption from Biofuel.

\*\*As there was scanty availability of biofuel, the Company had to resort to use of coal to the extent biofuel was not available.

#### Notes:

- Purchasing Power Parity (PPP) - Revenue from operations is adjusted as per International Monetary Fund Implied PPP conversion rate.
  - Gigajoules conversion factors are based on the conversion from kWh to Gigajoules, which is 0.0036.
  - Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency: Yes. Reasonable Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.
2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/ N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any: No

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-2024	FY 2022-2023
Water withdrawal by source (in kilolitres/ in m3)		
(i) Surface water	67,118	70,004
(ii) Ground water	3,49,223	3,24,986
(iii) Third party water (Municipal water supplies)	0	0
(iv) Sea water / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>4,16,341</b>	<b>3,94,990</b>
<b>Total volume of water consumption (in kilolitres)*</b>	<b>4,14,661</b>	<b>3,58,818</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover in millions)	<b>17.8</b>	<b>15.9</b>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations in millions adjusted for PPP)	<b>399.0</b>	<b>352.8</b>
<b>Water intensity in terms of physical output (kilolitres / MT)</b>	<b>5.6</b>	<b>5.7</b>

**Methodology for tracking:** We have dedicated magnetic flow water meters at plants on each borewell for tracking of freshwater consumption and these details are being then transferred to excel sheet for easy tracking.

\*In addition to our plant water consumption, we have incorporated water consumption from all locations (offices) based on assumptions drawn from the Government of India, Central Ground Water Authority's National Building Code 2016 for drinking and domestic needs.

#### Notes:

- Purchasing Power Parity (PPP) - Revenue from operations is adjusted as per International Monetary Fund Implied PPP conversion rate.

- b. Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency: Yes. Reasonable Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

**4. Provide the following details related to water discharged.**

Parameter	FY 2023-2024	FY 2022-2023
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Ground water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Sea water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment		
- With treatment – please specify level of treatment - Tertiary treatment	50,287	43,620
<b>Total water discharged (in kilolitres)</b>	<b>50,287</b>	<b>43,620</b>

**Methodology for tracking:** We have flow meters for recording the details at Effluent Treatment Plant (ETP) for tracking of Inlet & Outlet water. All water from plants is treated at both the ETP before being reused for gardening, road cleaning, flushing, etc., on-site or released off-site.

**Note:** Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes. Reasonable Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:**

The Company has taken proactive measures to implement Zero Liquid Discharge (“ZLD”) across its operations. 75.0% of plants have implemented ZLD. The plants in Ahmedabad and Sikkim are already equipped with RO & UF treatment, falling under this category. Efforts are underway to extend this coverage to Aligarh Plant. Tertiary effluent treatment plants (“ETP”) are operational, capable of processing 60KLD, 50KLD, and 1200KLD of wastewater for Sikkim, Ahmedabad, and Aligarh plants respectively. Alongside primary and secondary treatment, tertiary ETP ensures further purification of wastewater generated within the Company’s premises. Most of the treated water is utilized for horticulture within the facility, effectively reducing overall water consumption. All treated water is internally utilized for road cleaning, toilet flushing, and green belt development.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2023-2024	FY 2022-2023
NOx	(mg/nm <sup>3</sup> )	72.34	45.86
SOx	(mg/nm <sup>3</sup> )	112.25	50.09
Particulate matter (PM)	(mg/nm <sup>3</sup> )	107.49	101.85
Persistent organic pollutants (POP)	N.A.	NA	N.A.
Volatile organic compounds (VOC)		NA	
Hazardous air pollutants (HAP)	N.A.	NA	N.A.
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	Tonnes	0.2	0.21

**Methodology for tracking:** We conduct third-party testing from the govt. approved environmental laboratories for air emission equipment’s as per the defined frequencies in respective locations PCB consent order and data showing is taken from one of the third-party report. These tests are conducted against the prescribed limits of Central Pollution Control Board.

**Notes:**

- a. As there was scanty availability of biofuel, the Company had to resort to use of coal to the extent biofuel was not available.
- b. Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes. Reasonable Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-2024	FY 2022-2023
Total Scope 1 emissions*	tCO <sub>2</sub>	31,304	6,650
Total Scope 2 emissions	tCO <sub>2</sub>	8,798	8,969
<b>Total Scope 1 and Scope 2 emissions per million of turnover</b>	<b>tCO<sub>2</sub>/ Rupee of Turnover</b>	<b>1.7</b>	<b>0.7</b>
<b>Total Scope 1 and Scope 2 emission intensity per million of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		<b>38.6</b>	<b>15.3</b>
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output (tCO<sub>2</sub> / MT)</b>		<b>0.5</b>	<b>0.2</b>

\*Scope 1 encompasses emissions from coal, diesel, and refrigerants, including fugitive emissions.

Parameter	Unit	FY 2023-2024	FY 2022-2023
Biogenic Emissions	tCO <sub>2</sub>	41,294	49,476

\*Biomass emits biogenic emissions through natural processes.

**Notes:**

- Purchasing Power Parity (PPP) - Revenue from operations is adjusted as per International Monetary Fund Implied PPP conversion rate.
- Emission factors are based on the IPCC 2006 National Greenhouse Gas guidelines.
- Scope 2 emissions for purchased grid electricity are calculated using the Central Electricity Authority (CEA) CO<sub>2</sub>e baseline database for 2023, with a grid emission factor of 0.716 tCO<sub>2</sub>e/MWh.
- For Dubai office, we have used a grid emission factor for electricity as 0.4041 tCO<sub>2</sub>e/MWh as per Dubai Electricity and Water Authority Climate Change report.
- For Bangladesh office, we have used grid emission factor for electricity as 0.67 tCO<sub>2</sub>e/MWh as per the circular issued by Department of Environment, Bangladesh.
- Biogenic CO<sub>2</sub> emission factor from biomass are considered as 112000 kg CO<sub>2</sub>/TJ.
- Global Warming Potential (GWP) values used in emission calculations are sourced from the IPCC Fifth Assessment Report.
- Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency: Yes. Reasonable Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

8. Does the entity have any project related to reducing Greenhouse Gas emission? If yes, then provide details:

Yes, the Company has taken up various energy saving initiatives to reduce greenhouse gas emissions such as:

- Installed VFD (variable frequency drive) on one of the 75 KW feed water transfer pumps in Boiler, which resulted into annual savings of 50,000 kWh at Aligarh plant.
- Installed VFD on eight 3.70 KW main motors of Glucon-D manufacturing line, which resulted into annual savings of 1.54 Lakhs kWh at Aligarh plant.
- Rationalization of Air Handling Unit (AHU) by installing split ductable air conditioner & baby chiller to run sachet & axomatic production hall during extended shifts and winter season, which resulted in annual savings of 1.26 Lakhs kWh at Sikkim plant.
- Replacement of air compressor of lower capacity to higher capacity, which resulted in 35.0% reduction of manufacturing batch loading time and contributed in annual savings of 66,000 kWh at Ahmedabad plant.
- Initiated ammonia compressor operation through VFD resulted in annual savings of 44,000 kWh at Ahmedabad plant.
- Converted scattered manufacturing activities of Fat Spread product to centralized manufacturing and ensured Fat Spread product line temperature consistency, which resulted into annual saving of ₹ 2 millions (Rupees Two millions only) & 1.55 lakhs kWh at Ahmedabad plant.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-2024	FY 2022-2023
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	419	660
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. [used oil, ETP sludge, spent oil and process residue (G)]	86	99
Other Non-hazardous waste generated (H)		
Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	784	278.7
a) Paper	488	173.3
b) Metal	40	33.1
c) Glass	7	19.7
d) Wood	78	52.3
e) General Scrap	171	0.3
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>1289</b>	<b>1037.7</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations in millions)	<b>0.05</b>	<b>0.04</b>
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations in millions adjusted for PPP)	<b>1.24</b>	<b>1.02</b>
<b>Waste intensity in terms of physical output (MT of waste / MT of production)</b>	<b>0.02</b>	<b>0.02</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste (In MT)</b>		
(i) Recycled	1240	938.7
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>1240</b>	<b>938.7</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations (co-processing)	49	99
<b>Total</b>	<b>1289</b>	<b>1037.7</b>

**Notes:**

- Purchasing Power Parity (PPP) - Revenue from operations is adjusted as per International Monetary Fund Implied PPP conversion rate.
- Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency: Yes. Reasonable Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

There are adequate mechanisms in place to manage waste generated in different forms during our operation and manufacturing processes. All plants have a well-designed Effluent Treatment Plant (ETP). Wastewater from the production process is treated via a Common ETP and discharged in accordance with the standards set by the Pollution Control Boards. Online Continuous Effluent Monitoring System (OCEMS) is being installed in Aligarh & Sikkim plants and OCEMS system is online connected to Central Pollution Control Board (CPCB) server and details are being monitored by CPCB. We have also involved Government approved Environment Monitoring laboratories for validation of our treated water parameters against the prescribed limits by respective State Pollution Control Board. After treatment, about 80.0% to 85.0% of recycled water is used for green belt development, cleaning, housekeeping, gardening and flushing in toilets. As a result of our efforts, we have saved 2.0% ground water consumption / ton at Aligarh plant and 4.3% surface water consumption at Ahmedabad and Sikkim plants.

Other waste including e-waste, plastic waste etc. are managed according to the expectation of State Pollution Control Board.

11. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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The Company does not operate in ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web link
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EIA is not mandatory for the projects which are carried out by the Company.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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The Company is compliant with the applicable environmental law/ regulations/ guidelines applicable in India.

#### Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/ plant located in areas of water stress, provide the following information:

- (i) **Name of the area:** Aligarh, Ahmedabad and Sikkim.  
(ii) **Nature of operations:** Manufacturing and R&D.  
(iii) **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2023-2024	FY 2022-2023
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	67,118	70,004
(ii) Ground water	3,49,223	3,24,986
(iii) Third party water	Nil	Nil
(iv) Sea water / desalinated water	Nil	Nil
(v) Others	Nil	Nil
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>4,16,341</b>	<b>3,94,990</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>4,10,270</b>	<b>3,54,428</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover in millions)	<b>17.52</b>	<b>15.68</b>

Parameter	FY 2023-2024	FY 2022-2023
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Ground water		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Sea water		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment - Tertiary treatment	50,287	43,620
<b>Total water discharged (in kilolitres)</b>	<b>50,287</b>	<b>43,620</b>

**Note:** Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes. Reasonable Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

**2. Please provide details of total Scope 3 emissions & their intensity, in the following format:**

Parameter	Unit	FY 2023-2024	FY 2022-2023
<b>Total Scope 3 emissions</b>	-	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>	-	-	-

**Notes:**

- The Company did not track Scope-3 emissions for FY 2023-2024 and FY 2022-2023.
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

**3. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of the significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities:** The Company does not operate in ecologically sensitive areas.

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as the outcome of such initiatives, as per the following format:**

S. No.	Initiative undertaken	Details of the initiative ( <i>Web-link, if any, may be provided along-with summary</i> )	Outcome of the initiative
1.	Installed VFD (variable frequency drive) on one of the 75 KW feed water transfer pumps in Boiler at Aligarh plant		Annual savings of 50,000 kWh
2.	Installed VFD on eight 3.70 KW main motors of Glucon-D manufacturing line at Aligarh plant		Annual savings of 1.54 Lakhs kWh
3.	Rationalization of Air Handling Unit (AHU) by installing split duct able air conditioner & baby chiller to run sachet & axomatic production hall during extended shifts and winter season, at Sikkim plant		Annual savings of 1.26 Lakhs kWh
4.	Replacement of air compressor of lower capacity to higher capacity at Ahmedabad plant	Not available	35.0% reduction of manufacturing batch loading time and contributed in annual savings of 66,000 kWh
5.	Initiated ammonia compressor operation through VFD resulted at Ahmedabad plant		Annual savings of 44,000 kWh
6.	Converted scattered manufacturing activities of Fat Spread product to centralized manufacturing and ensured Fat Spread product line temperature consistency at Ahmedabad plant		Annual savings of ₹ 2 millions (Rupees Two millions only) & 1.55 lakhs kWh.

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Daily backups of critical servers are performed to address potential disruptions and copy of the backup tapes are available offsite. Efforts are underway to identify reputable vendors for implementing a comprehensive business continuity and disaster management plan. This initiative involves replicating servers, critical users, applications, and data to a remote data center, aimed at bolstering resilience against unforeseen events.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard:** No significant adverse impact has arisen from any of the value chain of the entity.

**7. Percentage of value chain partners (by the value of business done with such partners) that were assessed for environmental impacts:** Our top critical vendors were assessed representing 25.0% of the business conducted.

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

**Essential Indicators**

- 1. a. Number of affiliations with trade and industry chambers/ associations:** We are associated with 6 (Six) trade and industry chambers/associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Confederation of Indian Industry	National
2	Federation of Indian Chambers of Commerce & Industry	National
3	All India Food Processors' Association	National
4	Protein Foods and Nutrition Development Association of India.	National
5	International Market Assessment India Private (IMA)	National
6	Indian Beauty & Hygiene Association	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:**

Name of authority	Brief of the case	Corrective action taken
We have no cases pending before the Competition Commission of India ("CCI") nor have we received any notice regarding anti-competitive conduct from the CCI.		

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
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The Company engages with various stakeholders as mentioned in point 1(b) such as industry chambers, associations, governments, and regulators, to offer insights for the development and execution of public policies. This engagement, guided by principles of commitment, integrity, and transparency, prioritizes the interests of all stakeholders. The methods employed include participation in meetings, conferences, official communications, and engagement as needed.

**Principle 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not applicable, none of the projects are applicable for SIA Assessment in FY 2023-2024.

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not applicable						

**3. Describe the mechanisms to receive and redress grievances of the community:**

The Company visits nearby farmers of Aligarh in Uttar Pradesh and seeks to ask their grievances and provide solution to improve the health and hygiene of their cattle. Also, farmer’s helpline is started to resolve issues related to animals’ health and feeding. The Company also uses digital tools to redress any concerns and grievances posted by members of community on social media.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-2024	FY 2022-2023
Directly sourced from MSMEs/ small producers	12.5%	11.3%
Sourced directly from within India	94.0%	92.1%

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Location	FY 2023-2024	FY 2022-2023
Rural	0.0%	0.0%
Semi-urban	8.6%	8.3%
Urban	43.5%	47.3%
Metropolitan	47.9%	44.4%

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not applicable	

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In ₹)
As the average net profits of the Company calculated as per section 198 of the Companies Act, 2013 was negative, the Company was not required to carry CSR Projects during the FY 2023-2024.			

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No): No.**

**(b) From which marginalized /vulnerable groups do you procure?** Not applicable.

**(c) What percentage of total procurement (by value) does it constitute?** Not applicable.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not applicable.				

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

Name of the authority	Brief of the case	Corrective action taken
Not applicable.		



## 6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Not applicable.			

## Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

The Company has a customer grievance handling mechanism in place and is in compliance with the applicable rules and regulations stipulated by the regulators. Customers can reach out to the Company to complain / share feedback / for queries. Customers can either:

- Write a letter to Company's registered office address, or
- Send an email to [customercare@zyduswellness.com](mailto:customercare@zyduswellness.com), or
- Call on customer care phone number: 18001206868.

The contact details are also available on the website of the Company. Customer's contact details are kept confidential to comply with data privacy rules and regulations. Action on all the complaints are taken within 1 (one) working day of receiving a complaint / feedback / query by the customer care executive. The customer care team also resolves customer's queries on usage of the Company's products, product benefits, product availability and others.

There is a dedicated resource for handling customer complaints. Within related functions such as, Quality & Regulatory, Research & Development, Manufacturing, Marketing and Sales, as per the nature of the grievance, there are dedicated single point of contact to address and take necessary action on the complaints. All product related complaints are evaluated by Quality function and corrective actions are taken. The Company takes necessary steps to make customers aware on the usage of its products on the packs as well through digital medium including the brand websites.

The Company's Customer First approach makes every endeavour to give replacement to all customers who have registered quality related complaints without any questions asked. Wherever possible, the products are directly sent to the customer's address by courier or through local resources.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

As a percentage of total turnover	
Environmental and social parameters relevant to the product	100%: There are social parameters relevant to the responsible, safe and prescribed usage of the products.
Safe and responsible usage	100%: All products of the Company have the usage/ directions mentioned on leaflets/ packaging.
Recycling and/or safe disposal	All our products which are expired or damaged and cannot be consumed, are not sold to the vendors for feeding cattle / consumption and are taken back from trade, audited by government approved agencies and disposed off as per the guidelines enumerated in the internal policy and adhering to the local laws and rules. Proof of products destroyed is maintained by the Company. Thereby, we ensure safe disposal of expired or damaged products.

#### 3. Number of consumer complaints in respect of the following:

	FY 2023-2024		Remarks	FY 2022-2023		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	-	-		-	-	
Cyber-security	0	0		0	0	
Delivery of essential services	-	-		-	-	
Restrictive trade practices	-	-		-	-	
Unfair trade practices	-	-		-	-	
Other (Customer Complaints)	1,378	0		1,196	0	

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	N.A
Forced recalls		

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:**

Yes. We have a Cybersecurity Policy in place which is internally available for employees.

Additionally, we have CrowdStrike software which serves as both Endpoint detection and response (EDR) and antivirus, enforcing data privacy by blocking USB ports and controlling data flow through them.

Further, from a governance perspective, cyber risks are monitored and mitigated through the Risk Management framework implemented under Risk Management Policy, which is available on the website of the Company at <https://www.zyduswellness.com/investor/Risk%20Management%20Policy.pdf>.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services:** There has been no incidence of product recall and no penal action was taken by regulatory authorities on safety of products.

**7. Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches along-with impact:** Nil
- b. **Percentage of data breaches involving personally identifiable information of customers:** Nil
- c. **Impact, if any, of the data breaches:** Not applicable

**Leadership Indicators**

**1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available):**

Information on products of the Company are available on the website of the Company at [www.zyduswellness.com](http://www.zyduswellness.com), brand websites, brand social media handles etc.

Brand and product related information is available on brand website as mentioned below:

[www.sugarfree-india.com](http://www.sugarfree-india.com), [www.everyuth.com](http://www.everyuth.com), [www.complanforgrowth.com](http://www.complanforgrowth.com), [www.nutralite.com](http://www.nutralite.com), etc. Customers can also access these websites from the dedicated pages available on the website of the Company at [www.zyduswellness.com](http://www.zyduswellness.com) under the tab "Brands".

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services:**

On each pack of our products, there are clear indications and instructions depicting the ingredients of the product, guidance as to how to use the product, expiry date, caution for consumption of usage and storage with specific disclaimers to ensure proper usage. We also enable consumers to make better choices by imparting information to consumers through several media channels, social campaigns and provide free trials of new products through different platforms.

**3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services:**

Not Applicable, as the Company does not provide any essential services.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief: Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No):**

Yes. The Company follows the legal requirements of Food Safety and Standards Authority of India ("FSSAI") recommended labeling guidelines for food products. The Company also has internal guidelines to check for varieties of branding aspects such as logos, claims etc.

Also, we carry out regular consumer surveys to understand consumer opinions and perceptions about our products and brands.



Science Based Assurance in  
Quality, Safety & Sustainability.

## Independent Reasonable Assurance Statement to Zydus Wellness Limited on their Business Responsibility & Sustainability Report (BRSR) FY2023-24-Core Disclosures.

To the Management of Zydus Wellness Ltd., Ahmedabad, India

### Introduction

Intertek India Private Limited ("Intertek") was engaged by Zydus Wellness Limited ("ZWL") to provide an independent reasonable assurance on its consolidated BRSR (Business Responsibility & Sustainability Report) core disclosures for FY2023-24 as part of their Annual Report ("the Report"). The scope of the Report comprises the reporting periods of FY2023-24. The Report is prepared by ZWL based on SEBI's (Securities and Exchange Board of India) BRSR guidelines. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

### Objective

The objectives of this reasonable assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the sustainability related disclosures in alignment with BRSR requirements, as declared in the Report, were not accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

### Intended Users

This Assurance Statement is intended to be a part of the Annual Report of Zydus Wellness Limited.

### Responsibilities

The management of ZWL is solely responsible for the development of the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of ZWL, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

### Assurance Scope

The assurance has been provided for selected sustainability performance disclosures as per BRSR core disclosures with reference to SEBI's "BRSR Core - Framework for assurance and ESG disclosures for value chain" vide circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, presented by ZWL in its Report. The assurance boundary included data and information of 04 Plants, R&D Centre, other offices, and corporate office. Our scope of assurance included verification of internal control systems, data and information on core disclosures reported as summarized in the table below:

#### BRSR-Core Disclosures

- Total scope 1 and scope 2 emissions.
- GHG emissions intensity (scope 1 and 2).
- Water consumption, water consumption Intensity and water discharge by destination and levels of treatment.
- Total energy consumed, percentage of energy consumed from renewable sources and energy intensity.
- Waste Generation (category wise), Disposal, Recovered, Disposed and Intensity.
- Cost incurred on well-being measures of employees and workers as a percentage of total revenue of the company.
- Safety related incidents for employees and workers (LTIFR + Fatality + Permanent Disabilities) including contractual workforce.
- Gross wages paid to females as percentage of total wages paid.
- Complaints on POSH
- Input material sourced (from MSMEs/ small producers and from within India)
- Enabling inclusive development (Job creation in smaller towns and wages paid)
- Instances involving loss / breach of data of customers and Number of days of accounts payable.
- Concentration of purchases & sales done with dealers and related parties. Also loans and advances & investments with related parties.

### Assurance Criteria

Intertek conducted the assurance work in accordance with requirements of 'Reasonable Assurance' procedures as per the following standard:



- International Standard on Assurance Engagements (ISAE) 3000 (revised) for ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’.
- International Standard on Assurance Engagements (ISAE) 3410 for ‘Assurance Engagements on Greenhouse Gas Statement

A reasonable assurance engagement involved assessing the risks of material misstatement of the agreed indicators/parameters whether due to fraud or error, responding to the assessed risks as necessary in the circumstances. A materiality threshold level of 5% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

**Limitations**

We have relied on the information, documents, records, data, and explanations provided to us by ZWL for the purpose of our review.

The assurance scope excludes:

- Any disclosures beyond those specified in the Scope section above.
- Data and information falling outside the defined reporting period.
- Data pertaining to the Company’s financial performance, strategy, and associated linkages articulated in the Report.
- Assertions made by the Company encompassing expressions of opinion, belief, aspiration, expectation, forward-looking statements, and claims related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within software/IT systems.

**Methodology**

Intertek performed assurance work using risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a reasonable level of assurance. The assurance was conducted by desk reviews, visit to ZWL’s manufacturing site in Ahmedabad and stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2023-24. Our assurance task was planned and carried out during June-July, 2024. The assessment included the following:

- Review of the Report that was prepared in accordance with the SEBI’s BRSR guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available at a selected ZWL’s operational site and digitally.
- Conducted physical interviews with key personnel responsible for data management at a selected ZWL’s site in Ahmedabad.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by ZWL for data analysis.
- Review of BRSR core disclosures for the duration from April 1, 2023 to March 31, 2024 for ZWL was carried out onsite at a selected business location.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details would be provided in a separate management report.

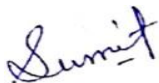
**Conclusions**

Intertek reviewed BRSR core disclosures provided by ZWL in its consolidated Business Responsibility and Sustainability Report (BRSR). Based on the procedures performed as above, evidences obtained and the information and explanations given to us along with the representation provided by the management and subject to inherent limitations outlined elsewhere in this report, in our opinion, ZWL’s data and information on BRSR core disclosures for the period of April 1, 2023 to March 31, 2024 included in the Report, is, in all material respects, in accordance with the SEBI’s BRSR guidelines.

**Intertek’s Competence and Independence**

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

**For Intertek India Pvt. Ltd.**



**Sumit Chowdhury, Verifier**  
Sr. Manager-Sustainability

July 8, 2024



**Elizabeth Mielbrecht, Reviewer**  
Project Director

*No member of the verification team (stated above) has a business relationship with Zydus Wellness Ltd. stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.*



# INDEPENDENT AUDITORS' REPORT

To the Members of **Zydus Wellness Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Zydus Wellness Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Standalone 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, 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 ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 we have obtained is sufficient and appropriate to provide a basis for our 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 year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Assessment of impairment of Goodwill amounting to ₹ 228 Millions (Refer Note No. 3 of the Standalone Financial Statements)</b></p> <p>The Company's evaluation of goodwill for impairment testing, involves the comparison of its recoverable amount to its carrying amount as at March 31, 2024. The Company has carrying value of goodwill amounting to ₹ 228 Millions in its standalone financial statements relating to Consumer Health &amp; Wellness Cash Generating Units ("CGU's"). This is subject to test of impairment by the management in accordance with the applicable accounting standards.</p> <p>The recoverable amount is determined based on value in use, which represents the present value of the estimated future cash flows expected to arise from the use of the asset group comprising each cash generating unit or group of cash generating units. There is a risk that the goodwill will be impaired if these cash flows do not meet the company's expectations.</p> <p>In addition to significance of the amounts involved, management's assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the forecasted cash flows, principally relating to long-term revenue growth rates, terminal values, margins, external market conditions and the discount rate used.</p> <p>Considering the materiality of amounts involved together with the inherent subjectivity related to principal assumptions, which are dependent on current and future economic factors and trading conditions varying for different economic and geographical territories, assessment of carrying value of goodwill is considered to be complex and determined to be a key audit matter in our current period audit.</p>	<p><b>Principal Audit Procedures</b></p> <p>Procedures performed by us have been enumerated herein below:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the accounting policies in respect of impairment by comparing with the applicable accounting standards.</li> <li>Evaluated the design, tested the implementation and operating effectiveness of the internal controls over impairment assessment process, including those over the forecast of future revenues, operating margins, growth rate and terminal values, external market conditions and the selection of the appropriate discount rate. Gained an understanding and assessed the reasonableness of business plans by comparing them to prior year's assumptions;</li> <li>Tested the reasonableness of the key business projections and valuation assumptions carried out by the management/ independent valuer in determining the fair value of the CGU, discount rate, revenue growth rate, EBITDA growth rate, terminal growth rate used in computing the fair value of the components.</li> <li>Performed retrospective review of projections by comparison with historical performance, inquiries with management and forecast trends in the industry.</li> </ul> <p>Considered sensitivity to reasonable possibility of changes in the key assumptions and inputs to ascertain whether these possible changes have a material effect on the fair value.</p>

#### Information other than the Standalone Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance Report and Directors' Report, but does not include the standalone financial statements and our audit reports 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 Those Charged with Governance 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 income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities 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:

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

- e) 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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept, so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid 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 March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material misstatement.
- v. The dividend proposed in the previous year, declared and paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
 

The Board of Directors of the Company has proposed dividend for the year which is subject to the approval of the members in the ensuing Annual General Meeting. The dividend proposed is in accordance with the accordance with section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of



recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail enabled at the database level for accounting software SAP S/4 HANA to maintain log for any direct data changes. Further, during the course of our audit, we did not come across any instances of the audit trail feature being tempered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit

and Auditors) Rule, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

**Mukesh M. Shah**

Partner

Membership No.: 030190

UDIN: 24030190BKHRXW9244

Place: Ahmedabad

Date: May 14, 2024

## “Annexure A” to the Independent Auditors’ Report

### The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended March 31, 2024.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

1. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment so as to cover all the items in phased manner. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed under property, plant and equipment in the financial statements, the
  - (a) The Company, according to the information and explanations given to us and on the basis of our examination of the records of the Company, has made investments, provided/ stood guarantee and granted loans, secured or unsecured and the details of which are given below:

lease agreements are in the name of the Company, where the Company is lessee in the agreement.

- (d) According to the information and explanations given to us and the records examined by us and based on the examination, the Company has not revalued any of its Property, plant and equipment (including Right of Use assets) and intangible assets during the year.
  - (e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. (a) The inventories were physically verified by the Management at reasonable intervals during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.
  - (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

₹ in Millions			
Particulars	Investments	Loans	Guarantees
<b>A. Aggregate amount granted/ provided during the year</b>			
- Subsidiaries	-	984	-
- Related Parties	-	-	-
<b>B. Balance outstanding as at balance sheet date in respect of above cases:</b>			
- Subsidiaries	36,713	2,823	-
- Related Parties	-	-	-

The Company has not provided any advances in the nature of loans or security to any other entity during the year.

- (b) According to the information and explanations given to us, and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

- (c) According to the information and explanations given to us and on the basis of examination of the records of the Company, repayment of loan instalment together with interest, as stipulated, are regular.
- (d) According to the information and explanations given to us and on the basis of our examination of records of the Company, there is no overdue loans for more than ninety days in respect of the loan as at the balance sheet date.
- (e) According to the information and explanations given to us and on the basis of our examination of records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party.
- (f) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
4. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security or made any investments to which provisions of Section 185 and Section 186 of the Companies Act, 2013 are applicable. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
5. The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 of the Act

or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.

6. 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.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records, the company has been regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues wherever payable have been paid during the year with the appropriate authorities. Moreover, as at 31st March 2024, there are no such undisputed dues payable for a period of more the six months from the day they became payable.

- (b) Details of statutory dues of clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Sr. No.	Name of Statute	Nature of Dues	[₹ in Millions]		Period to which the amount relates	Forum where dispute is pending
			Gross Amount	Amount paid under protest		
1	Sales Tax Act and VAT Laws	Sales Tax	1	0	2003-04 2004-05	High Court of Andhra Pradesh
		Value Added Tax	67	1	2009-10 2010-11 2011-12	The Appellate Authority up to Commissioner Level
		Central Sales Tax	19	0	2013-14	Tribunal
2	The Income Tax Act, 1961	Income Tax	5	1	AY 2018-19	Commissioner of Income tax (Appeal)
			2	0	AY 2016-17	Commissioner of Income tax (Appeal)

8. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

- (b) According to the information and explanations given to us and on the basis of our audit procedure, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) According to the information and explanations given to us, the Company has not availed term loans, hence reporting under Paragraph 3(ix)(c) is not applicable.
  - (d) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of financial statements of the Company, we report that funds raised on short term basis have, not been used during the year for the long-term purpose by the Company.
  - (e) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of financial statements of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - (f) According to the information and explanations given to us, and the procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiary companies.
10. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause of the Order is not applicable to the Company.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence reporting under this clause of the Order is not applicable to the Company;
  11. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
  - (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) According to the information and explanations given by management/Audit Committee, there were no whistle blower complaints received by the Company during the year.
  12. The Company is not a Nidhi Company and hence reporting under this clause of the Order is not applicable.
  13. According to the information and explanations given to us and based on our examination of the records of the Company, 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 Standalone financial statements as required by the applicable accounting standards.
  14. (a) In our opinion and based on our examination, 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 to the Company issued till date for the period under audit.
  15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
  16. According to the information and explanations given to us and based on our examination of the records of the Company, we report that
    - (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934;
    - (b) The company has not conducted any non-banking or housing finance activities during the year;
    - (c) The Company is not a Core Investment Company, as defined in the regulations made by the Reserve Bank of India;
    - (d) The Group has more than One Core Investment Company (two Core Investment Companies) as part of the Group.
  17. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
  18. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
  19. 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.

20. The Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy)

Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable to the Company.

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

**Mukesh M. Shah**

Partner

Membership No.: 030190

UDIN: 24030190BKHRXW9244

Place: Ahmedabad

Date: May 14, 2024

## “ANNEXURE B” TO THE AUDITORS’ REPORT

### Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Zydus Wellness Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

### Management Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India [“ICAI”]. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Mukesh M. Shah**  
Partner

Membership No.: 030190  
UDIN: 24030190BKHRXW9244

Place: Ahmedabad  
Date: May 14, 2024

# BALANCE SHEET

**As at March 31, 2024**

₹ in Millions

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS:</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	3 [A]	313	316
Capital work-in-progress	3 [C]	40	5
Goodwill	3 [B]	228	228
Other intangible assets	3 [B]	-	1
Financial assets:			
Investments	4	36,713	36,713
Loans	5	2,125	1,170
Other financial assets	6	4	5
Deferred tax assets [net]	7	359	468
Other non-current assets	8	2	8
Assets for tax [net]	9	56	54
		<b>39,840</b>	<b>38,968</b>
<b>Current assets:</b>			
Inventories	10	101	90
Financial assets:			
Investments	11	48	269
Trade receivables	12	78	29
Cash and cash equivalents	13 [A]	92	149
Bank balance other than cash and cash equivalents	13 [B]	4	5
Loans	14	698	867
Other current financial assets	15	101	68
Other current assets	16	196	223
		<b>1,318</b>	<b>1,700</b>
<b>Total</b>		<b>41,158</b>	<b>40,668</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Equity share capital	17	636	636
Other equity	18	39,723	39,707
		<b>40,359</b>	<b>40,343</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Financial liabilities:			
Lease liabilities	41	6	1
Other financial liabilities	19	11	11
Provisions	20	32	28
		<b>49</b>	<b>40</b>
<b>Current liabilities:</b>			
Financial liabilities:			
Borrowings	21	500	-
Lease liabilities	41	1	2
Trade payables:			
Dues to Micro and Small Enterprises	22	14	9
Dues to other than Micro and Small Enterprises	22	179	193
Other financial liabilities	23	31	47
Other current liabilities	24	12	23
Provisions	25	13	11
		<b>750</b>	<b>285</b>
<b>Total</b>		<b>41,158</b>	<b>40,668</b>
<b>Material Accounting Policies</b>	2		
<b>Notes to the Financial Statements</b>	1 to 45		

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah &amp; Co.

Chartered Accountants

Firm Registration Number: 106625W

**Mukesh M. Shah**

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 14, 2024

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 14, 2024

**Tarun Arora**

CEO &amp; Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 14, 2024

**Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Date: May 14, 2024

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 14, 2024



# STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2024

₹ in Millions

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
<b>INCOME:</b>			
Revenue from operations	28	2,448	2,512
Other income	29	180	135
<b>Total Income</b>		<b>2,628</b>	<b>2,647</b>
<b>EXPENSES:</b>			
Cost of materials consumed		1,567	1,649
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	3	14
Employee benefits expense	31	299	291
Finance costs	32	26	11
Depreciation and amortisation expense	3 [A], 3 [B]	36	35
Other expenses	33	251	178
Net gain on foreign currency transactions		(2)	(3)
<b>Total Expenses</b>		<b>2,180</b>	<b>2,175</b>
<b>Profit before Tax</b>		<b>448</b>	<b>472</b>
Less: Tax expense:			
Current tax	34	1	-
Deferred tax	34	110	(192)
		<b>111</b>	<b>(192)</b>
<b>Profit for the year</b>		<b>337</b>	<b>664</b>
<b>OTHER COMPREHENSIVE INCOME [OCI]:</b>			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment defined benefit plans		(4)	(7)
Income tax effect on above		1	2
<b>Other Comprehensive Income for the year [net of tax]</b>		<b>(3)</b>	<b>(5)</b>
<b>Total Comprehensive Income for the year [net of tax]</b>		<b>334</b>	<b>659</b>
<b>Basic &amp; Diluted Earnings per equity share [EPS] [in ₹]</b>	35	5.30	10.44
<b>Material Accounting Policies</b>	2		
<b>Notes to the Financial Statements</b>	1 to 45		

As per our report of even date

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

For and on behalf of the Board

**Mukesh M. Shah**

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 14, 2024

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 14, 2024

**Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 14, 2024

**Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Date: May 14, 2024

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 14, 2024

# CASH FLOW STATEMENT

For the year ended March 31, 2024

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash flows from operating activities:</b>		
<b>Profit before tax</b>	448	472
Adjustments for:		
Depreciation and amortisation expense	36	35
Net [gain]/ loss on disposal of Property, plant and equipment	(1)	1
Net gain on sale of investments	(7)	(3)
Net gain on investments mandatorily measured at fair value through statement of profit and loss	-	(1)
Interest income	(172)	(131)
Interest expense	26	11
Effect of foreign exchange movement in loans	(2)	(2)
Provisions for probable product expiry claims and return of goods	-	(1)
Provision for employee benefits	2	10
<b>Operating profit before working capital changes</b>	<b>330</b>	<b>391</b>
Adjustments for:		
[(Increase)]/ Decrease in inventories	(11)	1
[(Increase)]/ Decrease in trade receivables	(49)	66
Decrease in other assets	33	27
Decrease in trade payables	(14)	(110)
Decrease in other liabilities	(26)	(6)
<b>Cash generated from operations</b>	<b>263</b>	<b>369</b>
Direct taxes paid [net of refunds]	(3)	(2)
<b>Net cash generated from operating activities</b>	<b>260</b>	<b>367</b>
<b>B. Cash flows from investing activities:</b>		
Purchase of Property, plant and equipment and Other intangible assets	(67)	(121)
Proceeds from sale of Property, plant and equipment	12	2
Repayment of loan by subsidiaries	200	980
Loan given to subsidiaries	(984)	(847)
Proceeds from/ [Investment in] liquid mutual funds [net]	228	(144)
Interest received	139	137
<b>Net cash [used in]/ from investing activities</b>	<b>(472)</b>	<b>7</b>

# CASH FLOW STATEMENT

For the year ended March 31, 2024

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>C. Cash flows from financing activities:</b>		
Current Borrowings [net - taken/ (repayment)]	500	(460)
Repayment of lease liabilities	(2)	(2)
Interest paid	(25)	(12)
Dividend paid	(319)	(319)
<b>Net cash from/ [used in] financing activities</b>	<b>154</b>	<b>(793)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(58)</b>	<b>(419)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>154</b>	<b>573</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>96</b>	<b>154</b>

## Notes to the Cash flow Statement

- The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".
- All figures in brackets are outflows.
- Previous year's figures have been regrouped wherever necessary.
- Cash and cash equivalents at the end [beginning] of the year include ₹ 4 [₹ 5] Millions not available for immediate use.
- Cash and cash equivalents comprise of:

₹ in Millions

Particulars	Note No.	As at March 31		
		2024	2023	2022
a. Cash and cash equivalents	13 [A]	92	149	31
b. Bank balances other than cash and cash equivalents	13 [B]	4	5	542
<b>Total</b>		<b>96</b>	<b>154</b>	<b>573</b>

- Summary of Cash and cash equivalents and liquid mutual funds:

₹ in Millions

Particulars	Note No.	As at March 31		
		2024	2023	2022
a. Cash and cash equivalents (as above)	13 [A], 13 [B]	96	154	573
b. Investment in liquid mutual funds	11	48	269	120
<b>Total</b>		<b>144</b>	<b>423</b>	<b>693</b>

- Change in liability arising from financing activities:

₹ in Millions

Particulars	Borrowings [Refer Note 21]	
	Current	Total
<b>As at March 31, 2022</b>	<b>460</b>	<b>460</b>
Cash Flow [net]	(460)	(460)
<b>As at March 31, 2023</b>	-	-
Cash Flow [net]	500	500
<b>As at March 31, 2024</b>	<b>500</b>	<b>500</b>

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

**Mukesh M. Shah**

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 14, 2024

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 14, 2024

**Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 14, 2024

**Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Date: May 14, 2024

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 14, 2024

# STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2024

## A Equity Share Capital:

Particulars	No. of Shares	₹ in Millions
<b>Equity Shares of ₹ 10/- each, Issued, subscribed and fully paid-up:</b>		
As at March 31, 2022	63,632,144	636
As at March 31, 2023	63,632,144	636
As at March 31, 2024	63,632,144	636

## B Other Equity:

₹ in Millions

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
As at March 31, 2022	35,370	450	3,546	39,366
Add: Profit for the year	-	-	664	664
Less: Other Comprehensive Income	-	-	(5)	(5)
Total Comprehensive Income	-	-	659	659
Transactions with Owners in their capacity as owners:				
Less: Dividends	-	-	(318)	(318)
As at March 31, 2023	35,370	450	3,887	39,707
Add: Profit for the year	-	-	337	337
Less: Other Comprehensive Income	-	-	(3)	(3)
Total Comprehensive Income	-	-	334	334
Transactions with Owners in their capacity as owners:				
Less: Dividends	-	-	(318)	(318)
As at March 31, 2024	35,370	450	3,903	39,723

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

### Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 14, 2024

### Dr. Sharvil P. Patel

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 14, 2024

### Tarun Arora

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 14, 2024

### Umesh V. Parikh

Chief Financial Officer

Place: Ahmedabad

Date: May 14, 2024

### Nandish P. Joshi

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 14, 2024

# NOTES TO THE FINANCIAL STATEMENTS

## Note: 1 - Company overview:

Zydus Wellness Limited ["the Company"] [CIN: L15201GJ1994PLC023490] was incorporated on November 1, 1994 and operates as an integrated consumer Company with business encompassing the entire value chain in the development, production, marketing and distribution of health and wellness products. The product portfolio of the Company includes brands like Sugar Free, Everyuth and Nutralite. The Company's shares are listed on the National Stock Exchange of India Limited [NSE] and BSE Limited [BSE]. The registered office of the Company is located at Zydus Corporate Park, Scheme No. 63, Survey No. 536 Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad 382 481. These financial statements were authorised for issuance in accordance with a resolution passed by Board of Directors at its meeting held on May 14, 2024.

## Note: 2 - Material Accounting Policies:

**A** The following note provides list of the Material Accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

### 1 Basis of preparation:

**A** The financial statements are in compliance with the Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

**B** The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value at the end of the reporting periods:

- i Derivative financial instruments
- ii Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]
- iii Defined benefit plans

### 2 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments

are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## Critical accounting judgments and estimates:

### A Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions and possibility of utilisation of Minimum Alternate Tax [MAT] credit in future.

### B Property, Plant and Equipment:

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

### C Employee Benefits:

Actuarial valuation involves key assumptions of life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

### D Product warranty and expiry claims:

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockist.

### E Impairment of Property, Plant and Equipments, Goodwill and Investments:

Significant judgment is involved in determining the estimated future cash flows from the Investments, Property, Plant and Equipment and Goodwill to determine its value in use to assess whether there is any impairment in its carrying amount as reflected in the financials.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### F Contingent liabilities:

Significant judgment is involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources.

### 3 Foreign Currency Transactions:

The Company's financial statements are presented in Indian Rupees [₹], which is the functional and presentation currency.

**A** The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.

**B** Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.

**C** Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of Profit and Loss within finance costs. All the other foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis.

**D** Investments in foreign subsidiaries and other companies are recorded in ₹ [functional currency] at the rates of exchange prevailing at the time when the investments were made.

### 4 Revenue Recognition:

**A** The following is the material accounting policy related to revenue recognition under Ind AS 115.

#### a Sale of Goods:

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer. The goods are often sold with volume discounts/ pricing incentives and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts, net of discounts. When a

performance obligation is satisfied, Revenue is recognised with the amount of the transaction price [excluding estimates of variable consideration] that is allocated to that performance obligation. Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

#### b Service Income:

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

#### c Royalty Income:

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement [provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably]. Royalty arrangements that are based on sales and other measures are recognised by reference to the underlying arrangement.

**B** The specific recognition criteria described below must also be met before revenue is recognised:

#### a Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

#### b Dividend:

Dividend income is recognised when the Company's right to receive the payment is established.

#### c Other Income:

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 5 Taxes on Income:

Tax expenses comprise of current and deferred tax.

#### A Current Tax:

- a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b Current tax items are recognised in correlation to the underlying transaction either in profit or loss, Other Comprehensive Income (OCI) or directly in equity.

#### B Deferred Tax:

- a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b Deferred tax liabilities are recognised for all taxable temporary differences.
- c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.
- d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.
- f Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, OCI or directly in equity.
- g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

### 6 Property, Plant and Equipment:

- A Freehold land is carried at historical cost less impairment, if any. All other items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost [Net of Input tax credit received/ receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment. On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.
- B Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.
- C Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

The estimated useful lives are as follows:

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

**D** Depreciation on impaired assets is calculated on its residual value, if any, on a systematic basis over its remaining useful life.

**E** Depreciation on additions/ disposals of the Property, Plant and Equipment during the year is provided on pro-rata basis according to the period during which assets are used.

**F** Where the actual cost of purchase of an asset is below ₹ 10,000/-, the depreciation is provided @ 100%.

**G** Capital work in progress is stated at cost less accumulated impairment loss, if any.

**H** An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the income statement when the asset is derecognised.

### **7 Intangible Assets:**

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

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

**C** Goodwill arising on acquisition of business is assessed at each balance sheet date for any impairment loss.

**D** Technical Know-how Fees and other similar rights are amortised over their estimated economic life.

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

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

**G** An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or

loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the statement of Profit and Loss when the asset is derecognised.

### **8 Research and Development Cost:**

**A** Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.

**B** Capital expenditure on research and development is given the same treatment as Property, plant and equipment.

### **9 Borrowing Costs:**

**A** Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

**B** Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **10 Impairment of Non Financials Assets:**

The Property, Plant and Equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or Groups of assets [cash generating units]. Non-financial assets other than goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## 11 Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- A** Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Works-in-Progress are valued at lower of cost and net realisable value.
- B** Cost [Net of Input tax credit availed] of Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Work-in-Progress is determined on Moving Average Method.
- C** Costs of Finished Goods and Works-in-Progress are determined by taking material cost [Net of Input tax credit availed], labour and relevant appropriate overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Write down of inventories to net realisable value is recognised as an expenses and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and "Cost of Material Consumed" in the relevant note in the Statement of Profit and Loss.

## 12 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks.

## 13 Provisions, Contingent Liabilities and Contingent Assets:

- A** Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.
- B** If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

## 14 Provision for Product Expiry Claims:

Provisions for product expiry related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of product expiry claim related costs is revised annually.

## 15 Employee Benefits:

### A Short term obligations:

Liabilities for wages and salaries, including leave encashment that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### B Long term employee benefits obligations:

#### a Leave Wages and Sick Leave:

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

#### b Defined Benefit Plans:

##### Gratuity:

The Company operates a defined benefit gratuity plan with contributions to be made to a separately administered fund through Life Insurance Corporation of India through Employees Group Gratuity Plan. The Liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the statement of Profit and Loss.

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

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

- i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- ii Net interest expense or income.

### **c Defined Contribution Plans - Provident Fund Contribution:**

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

### **C Employee Separation Costs:**

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

### **16 Dividends :**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by Board of Directors of the Company.

### **17 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **A Financial assets:**

##### **a Initial recognition and measurement:**

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

##### **b Subsequent measurement:**

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

##### **i Debt instruments at amortised cost:**

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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

### iii Debt instruments and derivatives at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### iv Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### v Investments in subsidiaries :

Investments in subsidiaries are carried at cost less accumulated impairment losses,

if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the differences between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amounts as their deemed costs on the date of transition to Ind AS i.e., April 1, 2015.

### c Derecognition:

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

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

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

### d Impairment of financial assets:

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

or another financial asset. The Company follows 'simplified approach' for recognition of impairment loss allowance.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

### **B Financial liabilities:**

#### **a Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings,

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

#### **b Subsequent measurement:**

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

#### **c Derecognition:**

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

#### **d Embedded derivatives:**

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

### **C Reclassification of financial assets:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

### D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 18 Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a In the principal market for the asset or liability, or
- b In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows,

based on the lowest level input that is significant to the fair value measurement as a whole:

- a Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation [based on the lowest level input that is significant to the fair value measurement as a whole] at the end of each reporting period.

### 19 Leases:

#### As a lessee:

For any new contracts entered into on or after April 1 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset [the underlying asset] for a period of time in exchange for consideration'.

#### Measurement and recognition of leases as a lessee:

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date [net of any incentives received].

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments [including in substance fixed], variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in Statement of Profit and Loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment.

### As a lessor:

As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

### 20 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, shares 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.

### 21 Assets held for sale

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. The fair value of the disposal groups is estimated using valuation techniques [including income and market approach] which includes unobservable inputs.

### B Recent Accounting Pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. For the year ended March 31, 2024, there are no new standards or amendments to the existing standards which are notified but not yet effective.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 3 - Property, plant and equipment & Intangible Assets:

#### [A] Property, plant and equipment:

₹ in Millions

Particulars	Freehold Land	Leasehold Land	Buildings *	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Gross Block:</b>								
<b>As at March 31, 2022</b>	5	0	73	470	29	26	18	621
Additions	-	-	68	55	-	9	2	134
Disposals	-	-	-	(39)	-	(6)	(1)	(46)
<b>As at March 31, 2023</b>	5	0	141	486	29	29	19	709
Additions	-	-	7	28	-	7	1	43
Disposals	-	-	-	(18)	-	(1)	-	(19)
<b>As at March 31, 2024</b>	5	0	148	496	29	35	20	733
<b>Depreciation and Impairment:</b>								
<b>As at March 31, 2022</b>	-	0	32	322	21	10	16	401
Depreciation for the year	-	-	4	24	2	3	1	34
Disposals	-	-	-	(38)	-	(3)	(1)	(42)
<b>As at March 31, 2023</b>	-	0	36	308	23	10	16	393
Depreciation for the year	-	-	6	23	2	3	1	35
Disposals	-	-	-	(8)	-	-	-	(8)
<b>As at March 31, 2024</b>	-	0	42	323	25	13	17	420
<b>Net Block:</b>								
<b>As at March 31, 2023</b>	5	-	105	178	6	19	3	316
<b>As at March 31, 2024</b>	5	-	106	173	4	22	3	313

#### [B] Intangible Assets:

₹ in Millions

Particulars	Goodwill	Other intangible assets				Total
		Brand/ Trade Mark	Softwares	Commercial Rights	Technical Know-how	
<b>Gross Block:</b>						
<b>As at March 31, 2022</b>	228	1	4	1	0	6
Additions	-	-	-	-	-	-
<b>As at March 31, 2023</b>	228	1	4	1	0	6
Additions	-	-	-	-	-	-
Disposals	-	-	(2)	-	-	(2)
<b>As at March 31, 2024</b>	228	1	2	1	0	4
<b>Amortisation and Impairment:</b>						
<b>As at March 31, 2022</b>	-	1	2	1	0	4
Amortisation for the year	-	-	1	-	-	1
<b>As at March 31, 2023</b>	-	1	3	1	0	5
Amortisation for the year	-	-	1	-	-	1
Disposals	-	-	(2)	-	-	(2)
<b>As at March 31, 2024</b>	-	1	2	1	0	4
<b>Net Block:</b>						
<b>As at March 31, 2023</b>	228	-	1	-	-	1
<b>As at March 31, 2024</b>	228	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 3 - Property, plant and equipment & Intangible Assets: (Contd..)

#### [C] Ageing of Capital work-in-progress (CWIP):

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Projects in progress:</b>		
Less than 1 year	40	5
<b>Total Capital work-in-progress</b>	<b>40</b>	<b>5</b>

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

#### Notes:

1 Legal titles of the immovable properties are in the name of the Company [excluding lease assets].

[\*] Includes right of use assets, Refer Note 41 for detailed breakup.

### Note: 4 - Investments:

₹ in Millions

Particulars	Face Value [*]	Nos.[**]	As at March 31, 2024	As at March 31, 2023
Investments in Subsidiaries				
Investments in equity instruments			23,029	23,029
Investments in preference shares			13,684	13,684
<b>Total</b>			<b>36,713</b>	<b>36,713</b>
A Details of Investments in Subsidiaries				
Investments in equity instruments [valued at cost]:				
In fully paid-up equity shares of:				
Zydus Wellness Products Limited	10	172,890,343	23,021	23,021
Liva Nutritions Limited	10	50,000	1	1
Liva Investment Limited	10	250,000	2	2
Zydus Wellness International DMCC	AED 1000	250	5	5
			<b>23,029</b>	<b>23,029</b>
Investments in preference shares [carried at cost]:				
In fully paid-up 7% Optionally Convertible Non-Cumulative redeemable preference shares of:				
Zydus Wellness Products Limited	10	43,606,742	13,654	13,654
Liva Nutritions Limited	10	3,000,000	30	30
			<b>13,684</b>	<b>13,684</b>
<b>Total</b>			<b>36,713</b>	<b>36,713</b>
B Aggregate book value of unquoted investment			36,713	36,713
C Explanations:				
a In "Face Value [*]", figures in Indian ₹, unless stated otherwise.				
b In "Nos. [**]" figures of previous year are same unless stated in [ ].				



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 5 - Loans:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Loans to related parties [*]	2,125	1,170
<b>Total</b>	<b>2,125</b>	<b>1,170</b>

[\*] Details of loans pursuant to Section 186(4) of Companies Act, 2013 [\*\*]:

Name of party and relationship with party [Refer Note-37 for relationship] are as under [\*\*]:

₹ in Millions

Particulars	As at March 31, 2024			As at March 31, 2023		
	Non- Current	Current [Refer Note 14]	Maximum Outstanding balance	Non- Current	Current [Refer Note 14]	Maximum Outstanding balance
A Subsidiary Companies:						
a Zydu Wellness Products Limited	2,000	635	2,635	1,170	830	2,150
b Zydu Wellness International DMCC	125	63	188	-	37	37
<b>Total</b>	<b>2,125</b>	<b>698</b>		<b>1,170</b>	<b>867</b>	

[\*\*] Loans which are outstanding at the end of the respective financial year.

#### Notes:

- All the above loans have been given for business purposes.
- The loan to subsidiary companies are receivable within 2 years.

### Note: 6 - Other financial assets:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Security deposits	4	5
<b>Total</b>	<b>4</b>	<b>5</b>

### Note: 7 - Deferred tax assets [net]:

A. Break up of deferred tax liabilities and assets into major components of the respective balances are as under:

₹ in Millions

Particulars	As at March 31, 2022	Impact for the previous year	As at March 31, 2023	Impact for the current year	As at March 31, 2024
<b>Deferred tax liabilities</b>					
Depreciation	10	(3)	7	3	10
	<b>10</b>	<b>(3)</b>	<b>7</b>	<b>3</b>	<b>10</b>
<b>Deferred tax assets</b>					
Employee benefits	12	2	14	1	15
Business loss	272	189	461	(108)	353
Others	-	-	-	1	1
	<b>284</b>	<b>191</b>	<b>475</b>	<b>(106)</b>	<b>369</b>
<b>Net Deferred Tax Assets</b>	<b>274</b>	<b>194</b>	<b>468</b>	<b>(109)</b>	<b>359</b>

- The Net deferred tax liabilities of ₹ 109 Millions [Net deferred tax assets of ₹ 194 Millions as at March 31, 2023] for the year has been debited/ [credited] in the Statement of Profit and Loss.
- The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- The Company has tax losses of ₹ 1,404 Millions [March 31, 2023: ₹ 1,832 Millions] which are available for offset for eight years against future taxable profits of the company in which the losses arose. These losses will expire in March 2029.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 8 - Other non-current assets:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Capital advances	1	7
Balances with statutory authorities	1	1
<b>Total</b>	<b>2</b>	<b>8</b>

### Note: 9 - Assets for tax [net]:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Advance payment of tax	56	54
[Net of provision for taxation of ₹ 30 Millions (as at March 31, 2023: ₹ 35 Millions)]		
<b>Total</b>	<b>56</b>	<b>54</b>

### Note: 10 - Inventories:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
[The Inventory is valued at lower of cost and net realisable value]		
<b>Classification of Inventories:</b>		
Raw Materials	54	43
Work-in-progress	1	1
Finished Goods	24	29
Stock-in-Trade	4	2
Others:		
Packing Materials	18	15
<b>Total</b>	<b>101</b>	<b>90</b>
The above includes Goods in transit as under:		
Raw Materials	11	4
Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories:		
- Net of reversal of write down	4	2

### Note: 11 - Investments:

Particulars	Nos.[*]	₹ in Millions	
		As at March 31, 2024	As at March 31, 2023
Investment in Mutual Funds [Quoted] [Valued at fair value through profit or loss]			
ICICI prudential Overnight Fund DP Growth	36,966.012 [222,292.838]	48	269
<b>Total</b>		<b>48</b>	<b>269</b>
A. Aggregate amount of quoted investments and market value thereof		48	269
[*] In "Nos." figures of previous year are stated in [ ]			

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 12 - Trade receivables:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured - Considered good	78	29
Unsecured - Credit impaired	1	1
	<b>79</b>	<b>30</b>
Less: Allowances for credit losses	(1)	(1)
<b>Total</b>	<b>78</b>	<b>29</b>

### Ageing of Trade receivables :

#### [A] As at March 31, 2024

₹ in Millions

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed – considered good	78	-	-	-	-	-	<b>78</b>
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	1	-	<b>1</b>
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>78</b>	-	-	-	<b>1</b>	-	<b>79</b>
Less: Allowances for credit losses							<b>(1)</b>
<b>Trade Receivables</b>							<b>78</b>

#### [B] As at March 31, 2023

₹ in Millions

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed – considered good	25	4	-	-	-	-	<b>29</b>
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	1	-	-	<b>1</b>
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>25</b>	<b>4</b>	-	<b>1</b>	-	-	<b>30</b>
Less: Allowances for credit losses							<b>(1)</b>
<b>Trade Receivables</b>							<b>29</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 13 [A] - Cash and cash equivalents:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks	92	149
Cash on hand [₹ 220,661 (as at March 31, 2023: ₹ 185,599)]	0	0
<b>Total</b>	<b>92</b>	<b>149</b>

A. Company keeps fixed deposits with the Nationalised/ Scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds.

B. There are no amounts of cash and cash equivalent balances held by the entity that are not readily available for use.

### Note: 13 [B] - Bank balance other than cash and cash equivalents:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Unclaimed dividend accounts	4	5
<b>Total</b>	<b>4</b>	<b>5</b>

### Note: 14 - Loans

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Loans to related parties [*]	698	867
<b>Total</b>	<b>698</b>	<b>867</b>
[*] Details of Loans to Related Parties [Refer Note-37 for relationship] are as under:		
A Subsidiary Companies		
a Zydus Wellness Products Limited	635	830
b Zydus Wellness International DMCC	63	37
<b>Total</b>	<b>698</b>	<b>867</b>

#### Notes:

- a All the above loans have been given for business purposes.  
b The loan to subsidiary companies are receivable within 1 year.

### Note: 15 - Other current financial assets:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Interest receivable but not due [*]	83	50
Other receivables	18	18
<b>Total</b>	<b>101</b>	<b>68</b>
[*] Details of interest receivable from Related Parties are as under:		
A Subsidiaries Companies		
a Zydus Wellness Products Limited	81	50
b Zydus Wellness International DMCC	2	-
<b>Total</b>	<b>83</b>	<b>50</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 16 - Other current assets:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Advances to suppliers	12	7
Prepaid expenses	2	1
Balances with statutory authorities	182	215
<b>Total</b>	<b>196</b>	<b>223</b>

### Note: 17 - Equity share capital:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised:</b>		
100,000,000 [as at March 31, 2023: 100,000,000] Equity shares of ₹ 10 each	₹ in Millions 1,000	1,000
<b>Total</b>	<b>1,000</b>	<b>1,000</b>
<b>Issued, subscribed and fully paid-up:</b>		
63,632,144 [as at March 31, 2023: 63,632,144] Equity shares of ₹ 10 each	₹ in Millions 636	636
<b>Total</b>	<b>636</b>	<b>636</b>
A. The reconciliation in number of Equity shares is as under:		
Number of shares at the beginning and end of the year	63,632,144	6,36,32,144
B. The Company has issued only one class of equity shares having a face value of ₹ 10 each per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts and all liabilities.		
C. Details of Shareholders holding more than 5% of total equity shares of the Company		
Zydus Lifesciences Limited		
Number of Shares	36,647,509	36,647,509
% to total share holding	57.59%	57.59%
Zydus Family Trust		
Number of Shares	7,645,159	5,627,573
% to total share holding	12.01%	8.84%
Threpsi Care LLP (True North)		
Number of Shares	6,440,216	7,220,216
% to total share holding	10.12%	11.35%
D. Number of Shares held by Holding Company		
Zydus Lifesciences Limited	36,647,509	36,647,509

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 17 - Equity share capital: (Contd.)

E. Details of Equity Shares held by promoters/ promoter group.

#### As at March 31, 2024

Sr. No.	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Lifesciences Limited	36,647,509	57.59%	0.00%
2	Zydus Family Trust	7,645,159	12.01%	3.17%
3	Mr. Pankaj R. Patel	1,599	0.00%	0.00%
4	Pankaj R. Patel HUF	1,066	0.00%	0.00%
5	Pripan Investment Private Limited	640	0.00%	0.00%
6	Pankaj R. Patel (Taraben Patel Family Will Trust)	533	0.00%	0.00%
7	Mrs. Priti P. Patel	533	0.00%	0.00%
8	Dr. Sharvil P. Patel	533	0.00%	0.00%
9	Mrs. Shivani P. Patel	533	0.00%	0.00%

#### As at March 31, 2023

Sr. No.	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Lifesciences Limited	36,647,509	57.59%	0.00%
2	Zydus Family Trust	5,627,573	8.84%	1.62%
3	Mr. Pankaj R. Patel	1,599	0.00%	0.00%
4	Pankaj R. Patel HUF	1,066	0.00%	0.00%
5	Pripan Investment Private Limited	640	0.00%	0.00%
6	Pankaj R. Patel (Taraben Patel Family Will Trust)	533	0.00%	0.00%
7	Mrs. Priti P. Patel	533	0.00%	0.00%
8	Dr. Sharvil P. Patel	533	0.00%	0.00%
9	Mrs. Shivani P. Patel	533	0.00%	0.00%

### Note: 18 - Other equity:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
<b>Securities Premium: [*]</b>		
Balance as per last Balance Sheet	35,370	35,370
<b>General Reserve: [**]</b>		
Balance as per last Balance Sheet	450	450
<b>Retained Earnings:</b>		
Balance as per last Balance Sheet	3,887	3,546
Add: Profit for the year	337	664
Add: Other Comprehensive Income for the year		
Re-measurement losses on defined benefit plans [net of tax]	(3)	(5)
	<b>4,221</b>	<b>4,205</b>
Less: Dividends	(318)	(318)
	<b>(318)</b>	<b>(318)</b>
<b>Balance as at the end of the year</b>	<b>3,903</b>	<b>3,887</b>
<b>Total</b>	<b>39,723</b>	<b>39,707</b>

[\*] Securities premium is created due to premium on issue of shares. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

[\*\*] General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.

# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## Note: 19 - Other financial liabilities:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Others deposits	11	11
<b>Total</b>	<b>11</b>	<b>11</b>

## Note: 20 - Provisions:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	32	28
<b>Total</b>	<b>32</b>	<b>28</b>

### Defined benefit plan and long term employment benefit

#### A General description:

##### Leave wages [Long term employment benefit]:

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance [Cash Accumulation] Scheme. The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

##### Gratuity [Defined benefit plan]:

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

##### Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

##### Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

##### Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

##### Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 20 - Provisions: (Contd...)

₹ in Millions

Particulars	March 31, 2024			March 31, 2023		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
<b>B Change in the present value of the defined benefit obligation:</b>						
Opening obligation	6	42	46	5	36	33
Transfer in Obligation	-	-	-	-	-	1
Interest cost	-	4	3	-	2	2
Current service cost	1	3	7	-	4	6
Benefits paid	-	(9)	(4)	-	(4)	(2)
Actuarial [gains]/ losses on obligation due to:						
Experience adjustments	-	(1)	2	1	7	8
Change in financial assumptions	-	1	1	-	(3)	(2)
<b>Closing obligation</b>	<b>7</b>	<b>40</b>	<b>55</b>	<b>6</b>	<b>42</b>	<b>46</b>
<b>C Change in the fair value of plan assets:</b>						
Opening fair value of plan assets	-	19	36	-	18	33
Transfer out Obligation	-	-	-	-	-	(3)
Return on plan assets excluding amounts included in interest income	-	-	(1)	-	-	(1)
Expected return on plan assets	-	1	3	-	1	2
Contributions by employer	-	-	3	-	-	6
Benefits paid	-	-	(4)	-	-	(1)
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>20</b>	<b>37</b>	<b>-</b>	<b>19</b>	<b>36</b>
<b>Total actuarial losses to be recognised</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>6</b>
<b>D Actual return on plan assets:</b>						
Expected return on plan assets	-	1	3	-	1	2
Return on plan assets excluding amounts included in interest income	-	-	(1)	-	-	(1)
<b>Total actual return on plan assets</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>E Amount recognised in the balance sheet:</b>						
Liabilities at the end of the year	7	40	55	6	42	46
Fair value of plan assets at the end of the year	-	(20)	(37)	-	(19)	(36)
<b>Liabilities recognised in the Balance Sheet[*]</b>	<b>7</b>	<b>20</b>	<b>18</b>	<b>6</b>	<b>23</b>	<b>10</b>
<b>F Expenses / [Incomes] recognised in the Statement of Profit and Loss:</b>						
Current service cost	1	3	7	-	4	5
Interest cost on benefit obligation	-	4	3	-	2	2
Expected return on plan assets	-	(1)	(3)	-	(1)	(2)
Return on plan assets excluding amounts included in interest income	-	-	-	-	-	-
Net actuarial losses in the year	-	-	-	1	4	-
Amount included in "Employee Benefits Expense"	1	6	7	1	9	5
Return on plan assets excluding amounts included in interest income	-	-	1	-	-	1
Net actuarial losses in the year	-	-	3	-	-	6
<b>Amounts recognized in Other Comprehensive income [OCI]</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>7</b>



# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## Note: 20 - Provisions: (Contd...)

₹ in Millions

Particulars	March 31, 2024			March 31, 2023		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
<b>G Movement in net liabilities recognised in Balance sheet:</b>						
Opening net liabilities	6	23	10	5	18	-
Transfer in Obligation	-	-	-	-	-	4
Expenses as above [Profit & Loss Charge]	1	6	7	1	9	5
Amount recognised in OCI	-	-	4	-	-	7
Contribution to plan assets	-	-	(3)	-	-	(6)
Benefits Paid	-	(9)	-	-	(4)	-
<b>Liabilities recognised in the Balance Sheet [*]</b>	<b>7</b>	<b>20</b>	<b>18</b>	<b>6</b>	<b>23</b>	<b>10</b>
<b>H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:</b>						
Discount rate	7.20%	7.20%	7.20%	7.45%	7.45%	7.45%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations.]						
Annual increase in salary cost	9%			9%		
[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.]						
Withdrawal rates [p.a.]	40% at younger ages reducing to 1% at older ages			"40% at younger ages reducing to 1% at older ages"		
[The estimates of level of attrition is based on broad economic outlook, type of sector the Company operates in and measures taken by the management to retain/ relieve the employees]						
<b>I The categories of plan assets as a % of total plan assets are:</b>						
Insurance plan	0%	100%	100%	0%	100%	100%

The expected contributions for Defined Benefit Plan for the next financial year will be ₹ 7 Millions [Previous year: ₹ 5 Millions].

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6.61 years [as at March 31, 2023 : 6.80 years].

### Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is shown below:

₹ in Millions

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31					
	2024	2023	2024	2023	2024	2023
<b>Impact on obligation:</b>						
Discount rate increase by 0.5%	(1)	(0)	(2)	(1)	(2)	(2)
Discount rate decrease by 0.5%	1	0	1	1	2	1
Annual salary cost increase by 0.5%	1	0	1	1	2	1
Annual salary cost decrease by 0.5%	(1)	(0)	(2)	(1)	(2)	(2)
Withdrawal rate increase by 10%	(1)	(0)	(1)	(0)	(0)	(0)
Withdrawal rate decrease by 10%	1	0	0	0	0	0

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 20 - Provisions: (Contd...)

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

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Within the next 12 months [next annual reporting period]	10	15
Between 2 and 5 years	41	28
Between 6 and 10 years	66	66
<b>Total expected payments</b>	<b>117</b>	<b>109</b>

### [\*] Liabilities recognised in the Balance Sheet

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Non-current	32	28
Current [Refer Note 25]	13	11

### Note: 21 - Borrowings:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand:		
Working Capital Loans from Banks [Unsecured] [*]	500	-
<b>Total</b>	<b>500</b>	<b>-</b>

[\*] The loans are repayable within a period of 1 year along with applicable of interest.

### Note: 22-Trade payables:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Dues to Micro and Small Enterprises [*]	14	9
Dues to other than Micro and Small Enterprises	179	193
<b>Total</b>	<b>193</b>	<b>202</b>

[\*] Disclosure in respect of Micro and Small Enterprises:

A. Principal amount remaining unpaid to any supplier as at year end	14	9
B. Interest due thereon	-	-
C. Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year. [₹ 77,696 (Previous Year: ₹ 127,397)]	0	0
D. 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 the MSMED Act.	-	-
E. Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
F. Amount of further interest remaining due and payable in succeeding years.	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises on the basis of information available with the Company.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 22-Trade payables: (Contd...)

#### Ageing of Trade payables :

##### [A] As at March 31, 2024

₹ in Millions

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Micro and Small Enterprises [MSME]	14	-	-	-	-	14
Undisputed Others	146	29	2	-	2	179
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
<b>Total</b>	<b>160</b>	<b>29</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>193</b>

##### [B] As at March 31, 2023

₹ in Millions

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Micro and Small Enterprises [MSME]	9	-	-	-	-	9
Undisputed Others	141	50	-	2	-	193
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
<b>Total</b>	<b>150</b>	<b>50</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>202</b>

### Note: 23 - Other financial liabilities:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Payable to employees	27	42
Unpaid dividends [*]	4	5
<b>Total</b>	<b>31</b>	<b>47</b>

[\*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

### Note: 24 - Other current liabilities:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Advances from customers	1	1
Payable to statutory authorities	11	22
<b>Total</b>	<b>12</b>	<b>23</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 25 - Provisions:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits [*]	13	11
<b>Total</b>	<b>13</b>	<b>11</b>

[\*] Refer Note 20

### Note: 26 - Contingent liabilities and commitments [to the extent not provided for]:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
<b>A Contingent liabilities:</b>		
a Other money for which the Company is contingently liable:		
i In respect of Sales Tax and VAT matters pending before appellate authorities/ court which the Company expects to succeed, based on decisions of Tribunals/ Courts	86	67
- Net of advance of	1	1
ii In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/ Courts	6	5
- Net of advance of	1	1
<b>B Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	26	46
- Net of advance of	1	7

### Note: 27 - Dividend proposed to be distributed:

The Board of Directors, at their meeting held on May 14, 2024, recommended the final dividend of ₹ 5 per equity share of ₹ 10/- each. The recommended dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 28 - Revenue from operations:

₹ in Millions		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	2,096	2,183
Other operating revenues:		
Royalty income	318	308
Miscellaneous income	34	21
<b>Total</b>	<b>2,448</b>	<b>2,512</b>
<b>Pursuant to Ind AS 115 "Revenue from Contracts with Customers" reconciliation of revenue recognised in the statement of profit and loss with the contracted price is under:</b>		
Revenue as per contracted price, net of returns	2,096	2,183
Less:		
Discounts/ Price Reduction/ Rebates	-	-
	-	-
<b>Revenue from contract with customers</b>	<b>2,096</b>	<b>2,183</b>

### Note: 29 - Other income:

₹ in Millions		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Finance Income:		
Interest income on financial assets measured at amortised cost	172	131
Net gain on sale of investments	7	3
Net gain on disposal of Property, plant and equipment	1	-
Gain on investments mandatorily measured at fair value through statement of profit and loss	-	1
<b>Total</b>	<b>180</b>	<b>135</b>

### Note: 30 - Changes in inventories:

₹ in Millions		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Stock at commencement:		
Work-in-progress	1	1
Finished Goods	29	43
Stock-in-trade	2	2
	<b>32</b>	<b>46</b>
Less: Stock at close:		
Work-in-progress	1	1
Finished Goods	24	29
Stock-in-trade	4	2
	<b>29</b>	<b>32</b>
<b>Total</b>	<b>3</b>	<b>14</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 31 - Employee benefits expense:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	270	268
Contribution to provident and other funds [*]	23	18
Staff welfare expenses	6	5
<b>Total</b>	<b>299</b>	<b>291</b>
Above expenses include:		
Research related expenses:		
Salaries and wages	20	25
Contribution to provident and other funds	1	2
<b>Total</b>	<b>21</b>	<b>27</b>
Whole-time Director's Remuneration	12	13
[*] The Company's contribution towards the defined contribution plan	15	13

### Note: 32 - Finance cost:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense [*]	26	11
<b>Total</b>	<b>26</b>	<b>11</b>
[*] Interest expenses includes:		
On working capital loans	25	11
On lease liabilities	1	-
<b>Total</b>	<b>26</b>	<b>11</b>

### Note: 33 - Other expenses:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spare parts	7	8
Power and fuel	41	33
Labour charges	71	47
Rent	5	5
Repairs to buildings	1	-
Repairs to plant and machinery	10	5
Repairs to others	10	10
Insurance	6	5
Rates and taxes [excluding taxes on income]	2	4
Traveling expenses	7	2
Legal and professional fees [*]	49	22
Freight and forwarding on sales	7	7
Directors' fees	6	7
Commission to independent directors	2	2
Net Loss on disposal of Property, plant and equipment	-	1
Miscellaneous expenses	27	20
<b>Total</b>	<b>251</b>	<b>178</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 33 - Other expenses: (Contd...)

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Above expenses include Research related expenses as follows:		
Miscellaneous expenses	-	6
<b>Total</b>	<b>-</b>	<b>6</b>
[*] Legal and professional fees include:		
a. Payment to the Statutory Auditors [excluding Taxes]:		
As Auditor [₹ 1,070,000 (March 31, 2023: ₹ 1,000,000)]	1	1
For Other Services [₹ 498,898 (March 31, 2023: ₹ 397,991)]	0	0
<b>Total</b>	<b>1</b>	<b>1</b>
b. Cost Auditor's Remuneration including fees for other services [₹ 321,000 (March 31, 2023: ₹ 300,000)]	0	0
Note:		
1 Amount required to be spent during the year on Corporate Social Responsibility [CSR] Activities as required u/s 135 of the Companies Act, 2013	-	-

### Note: 34 - Tax expense:

The major components of income tax expense are:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Statement of profit and loss:</b>		
<b>Profit or loss section:</b>		
<b>Current income tax:</b>		
Current income tax charge	5	-
Adjustments in respect of current income tax of previous year	(4)	-
	<b>1</b>	<b>-</b>
<b>Deferred tax:</b>		
Deferred tax relating to origination and reversal of temporary differences	110	(192)
<b>Total reported in profit or loss</b>	<b>111</b>	<b>(192)</b>
<b>OCI Section:</b>		
Tax related to items recognised in OCI during the year:		
Deferred tax relating to origination and reversal of temporary differences		
Net loss on remeasurements of defined benefit plans	(1)	(2)
<b>Tax charged to OCI</b>	<b>(1)</b>	<b>(2)</b>
Current tax	1	-
Deferred tax	109	(194)
<b>Total reported in the Statement of Profit and Loss</b>	<b>110</b>	<b>(194)</b>
<b>B. Reconciliation of tax expense and accounting profit/ loss multiplied by India's domestic tax rate:</b>		
<b>Profit before tax:</b>	448	472
Enacted Tax Rate in India (%)	25.17%	25.17%
<b>Expected Tax Expenses</b>	<b>113</b>	<b>119</b>
Adjustments for:		
Effect of unrecognised deferred tax assets/ liabilities	-	(294)
Effect of differences in tax rate	-	(16)
Effect of other non-deductible expenses	2	(1)
Others [including prior period tax adjustments]	(4)	-
<b>Tax expense as per Profit or loss</b>	<b>111</b>	<b>(192)</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 35 - Calculation of Earnings per equity share [EPS]:

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
A. The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
i. Profit attributable to Shareholders	₹- in Millions	337	664
ii. Basic and weighted average number of Equity shares outstanding during the year	Numbers	63,632,144	63,632,144
iii. Nominal value of equity share	₹	10	10
iv. Basic & diluted Earnings per equity share [EPS]	₹	5.30	10.44

### Note: 36 - Segment Information:

The Company operates in one segment, namely "Consumer Products".

### Note: 37 - Related Party Transactions:

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

<b>a</b>	<b>Entity having control over Holding Company :</b> Zydus Family Trust	
<b>b</b>	<b>Holding Company:</b> Zydus Lifesciences Limited	
<b>c</b>	<b>Subsidiary Companies:</b>	
	Liva Investment Limited	Zydus Wellness International DMCC [Dubai]
	Liva Nutritions Limited	Zydus Wellness (BD) Pvt Limited [Bangladesh]
	Zydus Wellness Products Limited	
<b>d</b>	<b>Fellow Subsidiaries/ Concerns:</b>	
	Zydus Healthcare Limited	Nesher Pharmaceuticals (USA) LLC [USA]
	German Remedies Pharmaceuticals Private Limited	ZyVet Animal Health Inc. [USA]
	Zydus Animal Health and Investments Limited	Zydus Healthcare (USA) LLC [USA]
	Dialforhealth Unity Limited	Sentynl Therapeutics Inc. [USA]
	Dialforhealth Greencross Limited	Zydus Noveltech Inc. [USA] [dissolved on December 15, 2023]
	Violio Healthcare Limited	Hercon Pharmaceuticals LLC [USA] [dissolved on May 24, 2023]
	Zydus Pharmaceuticals Limited	Viona Pharmaceuticals Inc. [USA]
	Biochem Pharmaceutical Private Limited	Zydus Therapeutics Inc. [ZTI] [USA]
	Zydus Strategic Investments Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]
	Zydus VTEC Limited	Alidac Pharmaceuticals SA Pty. Ltd. [South Africa]
	Zydus Foundation *	[Formerly known as Simayla Pharmaceuticals (Pty) Ltd]
	Recon Pharmaceuticals and Investments, a Partnership Firm	Script Management Services (Pty) Ltd [South Africa]
	Zydus International Private Limited [Ireland]	Zydus France, SAS [France]
	Zydus Netherlands B.V. [the Netherlands]	Laboratorios Combix S.L. [Spain]
	Zydus Lanka (Private) Limited [Sri Lanka]	Etna Biotech S.R.L. [Italy]
	Zydus Nikkho Farmaceutica Ltda. [Brazil]	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
	Alidac Healthcare (Myanmar) Limited [Myanmar]	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
	Zydus Healthcare Philippines Inc. [Philippines]	Zydus Worldwide DMCC [Dubai]
	Zydus Pharmaceuticals (USA) Inc. [USA]	Zydus Pharmaceuticals UK Ltd., [UK]
	Zynext Ventures USA LLC, [USA]	Zynext Ventures Pte. Ltd., [Singapore]
	Zydus Lifesciences Global FZE [UAE]	LM Manufacturing India Private Limited
	LiqMeds Worldwide Limited [UK]	LM Manufacturing Limited [UK]
	LiqMeds Limited [UK]	Medsolutions (Europe) Limited [UK]
	LiqMeds Lifecare Limited [UK]	Zydus Pharmaceuticals (Canada) Inc. [Canada]



# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## Note: 37 - Related Party Transactions: (Contd...)

<b>e</b>	<b>Directors:</b>	
	Dr. Sharvil P. Patel	Non-Executive Chairman
	Mr. Ganesh N. Nayak	Non-Executive Director
	Mr. Kulin S. Lalbhai	Independent Director
	Mr. Savyasachi S. Sengupta	Independent Director upto November 01, 2023
	Mr. Akhil A. Monappa	Independent Director w.e.f. May 17, 2023
	Mr. Srivishnu R. Nandyala	Independent Director
	Ms. Dharmishtaben N. Raval	Independent Director
<b>f</b>	<b>Key Managerial Personnel [KMPs]:</b>	
	Mr. Tarun Arora	Chief Executive Officer [CEO] & Whole Time Director
	Mr. Umesh V. Parikh	Chief Financial Officer
	Mr. Nandish P. Joshi	Company Secretary w.e.f. July 29, 2022
	Mr. Dhanraj P. Dagar	Company Secretary upto May 9, 2022
<b>g</b>	<b>Enterprises significantly influenced by Directors and/ or their relatives of Holding Company with whom transactions have taken place:</b>	
	Mukesh M. Patel & Co.	
<b>h</b>	<b>Enterprises significantly influenced by Directors and/ or their relatives of the Company:</b>	
	Cadmach Machinery Company Private Limited	
	Zydus Hospitals and Healthcare Research Private Limited	
<b>i</b>	<b>Post Employment Benefits Plan:</b>	
	Zydus Wellness Limited Employee Group Gratuity Scheme	

\* Zydus Foundation is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over their profits to its members.

### B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business:

#### a Details relating to parties referred to in Note 37 - A [a, b, c, d and i]

₹ in Millions

Nature of Transactions	Value of the Transactions					
	Holding Company/ Entity having control over Holding Company		Subsidiaries and Fellow Subsidiaries/ concerns		Post Employment Benefits Plan	
	Year ended March 31					
	2024	2023	2024	2023	2024	2023
<b>Sales:</b>						
<b>Goods:</b>						
Zydus Wellness Products Limited	-	-	2,079	2,169	-	-
Zydus Wellness International DMCC	-	-	17	13	-	-
<b>Royalty:</b>						
Zydus Wellness Products Limited	-	-	318	308	-	-
<b>Services:</b>						
Zydus Wellness Products Limited	-	-	25	12	-	-
<b>Property, Plant and Equipment:</b>						
Zydus Wellness Products Limited [Previous Year: ₹ 277,883]	-	-	11	0	-	-
<b>Reimbursement of Expenses Recovered:</b>						
Zydus Wellness International DMCC	-	-	7	7	-	-
Zydus Wellness Products Limited	-	-	-	38	-	-
<b>Purchase:</b>						
<b>Goods:</b>						
Zydus Wellness Products Limited	-	-	152	157	-	-

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 37 - Related Party Transactions: (Contd...)

₹ in Millions

Nature of Transactions	Value of the Transactions					
	Holding Company/ Entity having control over Holding Company		Subsidiaries and Fellow Subsidiaries/ concerns		Post Employment Benefits Plan	
	Year ended March 31					
	2024	2023	2024	2023	2024	2023
<b>Services:</b>						
Zydu Lifesciences Limited	8	6	-	-	-	-
<b>Property, Plant and Equipment:</b>						
Zydu Lifesciences Limited [Previous Year: ₹ 3,114]	-	0	-	-	-	-
Zydu Wellness Products Limited	-	-	3	4	-	-
<b>Reimbursement of Expenses:</b>						
Zydu Lifesciences Limited	2	1	-	-	-	-
Zydu Wellness Products Limited	-	-	13	-	-	-
<b>Finance:</b>						
<b>Intercompany Loan given:</b>						
Zydu Wellness International DMCC	-	-	149	17	-	-
Zydu Wellness Products Limited	-	-	835	830	-	-
<b>Intercompany Loan repaid by:</b>						
Zydu Wellness Products Limited	-	-	200	980	-	-
<b>Interest Income:</b>						
Zydu Wellness International DMCC	-	-	6	-	-	-
Zydu Wellness Products Limited	-	-	155	108	-	-
<b>Contributions during the year (includes Employee's share and contribution):</b>						
Zydu Wellness Limited Employee Group Gratuity Scheme	-	-	-	-	4	6
<b>Dividend Paid:</b>						
Zydu Lifesciences Limited	183	183	-	-	-	-
Zydu Family Trust	30	24	-	-	-	-

₹ in Millions

Nature of Transactions	Value of the Transactions					
	Holding Company/ Entity having control over Holding Company		Subsidiaries and Fellow Subsidiaries/ concerns		Post Employment Benefits Plan	
	As at March 31					
	2024	2023	2024	2023	2024	2023
<b>Outstanding Receivable:</b>						
Zydu Wellness Products Limited	-	-	2,782	2,069	-	-
Zydu Wellness International DMCC	-	-	201	47	-	-
<b>Outstanding Payable:</b>						
Zydu Lifesciences Limited	7	11	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 37 - Related Party Transactions: (Contd...)

#### b Details relating to persons referred to in Note 37-A [e] and [f] above:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Salaries and other employee benefits to Whole time directors and KMPs	29	29
(ii) Commission and Sitting Fees to Non Executive/ Independent Directors	8	9
(iii) Outstanding payable to above (i) and (ii)	4	5

#### c Details relating to persons referred to in Note 37-A [g] and [h] above:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Purchase of services	1	1

### Note: 38 - Financial instruments:

#### (i) Fair values hierarchy:

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

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data relying as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (ii) Financial assets and liabilities measured at fair value - recurring fair value measurements:

₹ in Millions

Particulars	As at March 31, 2024				As at March 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Investments at FVTPL								
Mutual funds	48	-	-	48	269	-	-	269
<b>Total</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>269</b>	<b>-</b>	<b>-</b>	<b>269</b>

#### (iii) Fair value of instruments measured at amortised cost:

Financial assets and liabilities measured at amortised cost for which fair values are disclosed.

Financial Assets: The carrying amounts of trade receivables, loans and other financial assets [other than investment in preference shares], cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities: The carrying amounts of loans, other financial liabilities and trade payables are considered to be approximately equal to the fair values. Fair values of investment in preference shares were calculated based on cash flows discounted using the applicable adjusted market interest rates.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 39 - Financial risk management:

#### (i) Financial instruments by category:

₹ in Millions

Particulars	As at March 31, 2024				As at March 31, 2023			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
<b>Financial assets</b>								
Investments [other than investment in subsidiary]	48	-	-	48	269	-	-	269
Trade receivables	-	-	78	78	-	-	29	29
Cash and cash equivalents	-	-	92	92	-	-	149	149
Bank balance other than cash and cash equivalents	-	-	4	4	-	-	5	5
Loans	-	-	2,823	2,823	-	-	2,037	2,037
Other financial assets	-	-	105	105	-	-	73	73
<b>Total</b>	<b>48</b>	<b>-</b>	<b>3,102</b>	<b>3,150</b>	<b>269</b>	<b>-</b>	<b>2,293</b>	<b>2,562</b>
<b>Financial liabilities</b>								
Borrowings	-	-	500	500	-	-	-	-
Lease liabilities	-	-	7	7	-	-	3	3
Trade payables	-	-	193	193	-	-	202	202
Other financial liabilities	-	-	42	42	-	-	58	58
<b>Total</b>	<b>-</b>	<b>-</b>	<b>742</b>	<b>742</b>	<b>-</b>	<b>-</b>	<b>263</b>	<b>263</b>

#### (ii) Risk Management:

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

##### A. Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from loans and advances to related parties, trade receivables, bank deposits and other financial assets. The Company periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

- i Investments at Amortised Cost: They are investments in the normal course of business of the company.
- ii Bank deposits: The Company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks Hence, there is no significant credit risk on such deposits.
- iii Loans to related parties: They are given for business purposes. The Company reassesses the recoverability of loans periodically. Interest recoveries from these loans are regular and there is no event of defaults.
- iv Trade Receivable: The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.
- v There are no significant credit risks with related parties of the Company. The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments. No single third party customer contributes to more than 10% of outstanding accounts receivable [excluding outstanding from subsidiaries] as at March 31, 2024 and March 31, 2023.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 39 - Financial risk management: (Contd...)

The Company has used expected credit loss [ECL] model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Financial assets for which loss allowances is measured using the expected credit loss:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
<b>Trade Receivables:</b>		
Less than 180 days	78	29
<b>Total</b>	<b>78</b>	<b>29</b>

Movement in the expected credit loss allowance on trade receivables:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	1	1
Addition	-	-
<b>Balance at the end of the year</b>	<b>1</b>	<b>1</b>

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

#### B Liquidity risk:

- Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.
- Management monitors rolling forecasts of the Company liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Maturities of financial liabilities :

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	₹ in Millions				
	As at March 31, 2024				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings [including interest accrued but not due]	500	-	-	-	500
Lease liabilities	2	2	2	3	9
Trade payables	193	-	-	-	193
Other financial liabilities [excluding interest accrued but not due]	31	-	-	11	42
<b>Total</b>	<b>726</b>	<b>2</b>	<b>2</b>	<b>14</b>	<b>744</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 39 - Financial risk management: (Contd...)

₹ in Millions

Particulars	As at March 31, 2023				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
<b>Non-derivatives financial liabilities</b>					
Lease liabilities	2	1	-	-	3
Trade payables	202	-	-	-	202
Other financial liabilities (excluding interest accrued but not due)	47	-	-	11	58
<b>Total</b>	<b>251</b>	<b>1</b>	<b>-</b>	<b>11</b>	<b>263</b>

#### C Foreign currency risk

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

##### a Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed as follows:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
	<b>Exposure of USD</b>	
<b>Financial assets:</b>		
Trade receivable	13	10
Loans to related parties along with interest	188	37
<b>Total exposure to foreign currency risk [assets]</b>	<b>201</b>	<b>47</b>
<b>Financial liabilities:</b>		
Trade payable	2	-
<b>Total exposure to foreign currency risk [liabilities]</b>	<b>2</b>	<b>-</b>
<b>Net exposure to foreign currency risk [assets]</b>	<b>199</b>	<b>47</b>
<b>Exposure of Other Foreign Currency</b>		
<b>Financial liabilities:</b>		
Trade payable	2	2
<b>Total exposure to foreign currency risk [liabilities]</b>	<b>2</b>	<b>2</b>
<b>Net exposure to foreign currency risk [liabilities]</b>	<b>(2)</b>	<b>(2)</b>

##### Sensitivity:

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

₹ in Millions

Particulars	As at March 31, 2024		As at March 31, 2023	
	Movement in Rate *	Impact on PAT	Movement in Rate *	Impact on PAT
USD	1.5%	2	8%	3
USD	(1.5%)	(2)	(8%)	(3)
Others	1%	(0)	6%	(0)
Others	(1%)	0	(6%)	0

\* Holding all other variables constant

# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## Note: 39 - Financial risk management: (Contd...)

### D Interest rate risk:

The Company's policy is to minimise interest rate cash flow risk exposures on financing. As at March 31, 2024, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits are at fixed interest rates.

#### Sensitivity:

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

Particulars	Movement in Rate *	₹ in Millions	
		As at March 31, 2024	As at March 31, 2023
Interest rates	0.50%	(2)	-
Interest rates	(0.50%)	2	-

\* Holding all other variables constant

### E Price Risk

#### (a) Exposure

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

#### (b) Sensitivity- Mutual Fund:

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit and loss for the period. The analysis is based on the assumption that the price of the instrument has increased by 2% or decreased by 2% with all other variables held constant.

Particulars	Movement in Rate *	₹ in Millions	
		As at March 31, 2024	As at March 31, 2023
<b>Mutual Funds [Quoted]</b>			
Increase	2%	1	4
Decrease	(2%)	(1)	(4)

\* Holding all other variables constant

## Note 40: Capital management:

The Company's capital management objectives are

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

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

Particulars		As at March 31, 2024	As at March 31, 2023
Gross debts	₹ in Millions	500	-
Total equity	₹ in Millions	40,359	40,343
Gross debt to equity ratio [No. of times]		0.01	-

As at March 31, 2024 and March 31, 2023, there are no covenant applicable to the Company.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 41 - Leases:

#### Lessee:

#### A Relating to statement of financial position:

The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all risk and rewards of ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right to use assets and lease liabilities for most leases.

Right of use assets are part of financial statement caption "Property plant and equipment". Depreciation and impairment is similar to measurement of owned assets. Interest is part of financial statement caption "Finance cost".

₹ in Millions	
<b>Right of use assets</b>	<b>Total</b>
<b>Balance as at April 1, 2022 [net]</b>	<b>5</b>
Depreciation charge for the year	(2)
<b>Balance as at March 31, 2023 [net]</b>	<b>3</b>
Additions during the year	6
Depreciation charge for the year	(2)
<b>Balance as at March 31, 2024 [net]</b>	<b>7</b>

The Company leases assets include office buildings.

#### Movement in lease liabilities:

₹ in Millions		
Lease liabilities	As at March 31, 2024	As at March 31, 2023
<b>Balance at the beginning of the year</b>	3	5
Additions	6	-
Redemptions	(2)	(2)
<b>Balance at the end of the year</b>	<b>7</b>	<b>3</b>
of which:		
Non-current portions	6	1
Current portions	1	2

#### Maturity analysis of lease liabilities:

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

₹ in Millions		
Minimum lease payments due	As at March 31, 2024	As at March 31, 2023
Within 1 years	2	2
1-5 years	7	1
<b>Total</b>	<b>9</b>	<b>3</b>



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 42 - Analytical Ratios:

Sr. No.	Ratio	Numerator	Denominator	FY	FY	% of variance	Refer Note
				2023-2024	2022-2023		
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.76	5.96	(70%)	i
2	Debt-Equity Ratio (in times)	Total Debt	Equity	0.01	-	100%	i
3	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	12.65	33.63	(62%)	ii, iii
4	Return on Equity Ratio (in %)	Net Profits after taxes	Average shareholder equity	0.84	1.65	(49%)	ii, iii, iv
5	Inventory turnover ratio (in times)	Net Sales	Average Inventory	21.95	24.19	(9%)	-
6	Trade Receivables turnover ratio (in times)	Net Sales	Average Trade Receivables	39.18	31.34	25%	iii, vii
7	Trade payables turnover ratio (in times)	Net Purchases	Average Trade Payables	9.28	7.17	29%	vi
8	Net capital turnover ratio (in times)	Net Sales	Working Capital	3.69	1.54	140%	i, iii, vi, vii
9	Net profit ratio (in %)	Net Profits	Net Sales	16.08	30.43	(47%)	ii, iii, iv
10	Return on Capital employed (in %)	Earnings before interest and taxes	Average Capital Employed	1.17	1.20	(3%)	-
11	Return on investments (in %)	Income generated from investments	Average of investments	8.20	11.23	(27%)	v

#### Notes

- i Mainly driven by proceeds from borrowings.
- ii Mainly due to increase in finance cost on account of proceeds from borrowings and other expenses.
- iii Mainly due to decrease in revenue from operations.
- iv Recognition of one-off deferred tax asset in previous financial year.
- v Decrease in investable funds due to lesser fund flow on account of reduction in profitability.
- vi Mainly due to decrease in trade payables.
- vii Mainly due to increase in trade receivables.

### Note: 43 - Disclosure of Transaction with Struck Off Companies

The Company has not entered into any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

### Note: 44 -

- [a] 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- [b] The Company has not received any 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- [c] The Company has used accounting software for maintaining its books of account for the year ended on March 31, 2024 which has a feature of recording audit trail [edit log] facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail is enabled at the database level for accounting software SAP S/4 HANA to maintain log for any direct data changes. The Company is in process of implementing the audit trail at the database level.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 45 -

Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

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#### Signatures to Material Accounting Policies and Notes 1 to 45 to the Financial Statements

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As per our report of even date

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

For and on behalf of the Board

#### **Mukesh M. Shah**

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 14, 2024

#### **Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 14, 2024

#### **Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 14, 2024

#### **Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Date: May 14, 2024

#### **Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 14, 2024

# INDEPENDENT AUDITORS' REPORT

To the Members of **Zydus Wellness Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated financial statements of Zydus Wellness Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which comprises of the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, 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 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the other auditors in terms of their report referred to in Other matters section below, is sufficient and appropriate to provide a basis for our 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 year. 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Assessment of impairment of Goodwill amounting to ₹ 39,200 Millions and Intangible assets having indefinite useful life amounting to ₹ 5,387 Millions respectively (Refer Note 3 of the Consolidated Financial Statements)</p> <p>The Group's evaluation of goodwill and intangible assets for impairment testing, involves the comparison of its recoverable amount to its carrying amount as at March 31, 2024. The Group has carrying value of goodwill and intangible assets amounting to ₹ 39,200 and ₹ 5,387 Millions respectively in its Consolidated financial statements relating to Consumer Health &amp; Wellness Cash Generating Units ("CGU's"). These intangibles are subject to test of impairment by the management in accordance with the applicable accounting standards.</p> <p>The recoverable amount is determined based on value in use, which represents the present value of the estimated future cash flows expected to arise from the use of the asset group comprising each cash generating unit or group of cash generating units. There is a risk that the goodwill / intangible assets will be impaired if these cash flows do not meet the Group's expectations.</p> <p>In addition to significance of the amounts involved, management's assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the forecasted cash flows, principally relating to long-term revenue growth rates, terminal values, margins, external market conditions and the discount rate used.</p> <p>Considering the materiality of amounts involved together with the inherent subjectivity related to principal assumptions, which are dependent on current and future economic factors and trading conditions varying for different economic and geographical territories, assessment of carrying value of goodwill and intangible assets is considered to be complex and determined to be a key audit matter in our current year audit.</p>	<p>Principal Audit Procedures</p> <p>Procedures performed by us have been enumerated herein below:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the accounting policies in respect of impairment by comparing with the applicable accounting standards.</li> <li>Evaluated the design, tested the implementation and operating effectiveness of the internal controls over impairment assessment process, including those over the forecast of future revenues, operating margins, growth rate and terminal values, external market conditions and the selection of the appropriate discount rate. Gained an understanding and assessed the reasonableness of business plans by comparing them to prior year's assumptions;</li> <li>Tested the reasonableness of the key business projections and valuation assumptions carried out by the management / independent valuer in determining the fair value of the CGU, discount rate, revenue growth rate, EBITDA growth rate, terminal growth rate used in computing the fair value of the components.</li> <li>Performed retrospective review of projections by comparison with historical performance, inquiries with management and forecast trends in the industry.</li> </ul> <p>Considered sensitivity to reasonable possibility of changes in the key assumptions and inputs to ascertain whether these possible changes have a material effect on the fair value.</p>

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance Report and Directors' Report, but does not include the consolidated financial statements, the 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 the Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding 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 Consolidated financial statements that give a true and fair view of the Consolidated financial position, the Consolidated financial performance and the changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Company's management and Board of Directors of the entities included in the Group is responsible for assessing the Group'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 respective Board of Directors either intends to liquidate the Group 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 Responsibilities 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:

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has

adequate internal financial controls system in place and the operating effectiveness of such controls.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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.
- e) 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.

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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

We did not audit the financial statements of 5 subsidiaries included in the Consolidated financial statements, whose financial statements reflect [the figures reported below are before giving effect to consolidation adjustments] total assets of ₹ 39,111 million as at March 31, 2024, total revenues of ₹ 23,683 million, total net loss after tax of ₹ 968 million, total comprehensive income of ₹ (965) million and net cash inflows amounting to ₹ 2,071 million 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 and conclusion on the statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

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.

## Report on Other Legal and Regulatory Requirements

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, 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 financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and 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 Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 and taken on record by the Board of Directors of the Holding 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 March 31, 2024

from being appointed as a director in terms of section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure -A, which is based on the auditors' reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those Companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - 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 Group during the year ended March 31, 2024.
  - iv. (a) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India, whose financial statement have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, to the best of their knowledge and belief, other than as disclosed in the notes 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 Holding Company or any of such subsidiaries or in any other person(s) or entity(ies), 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 Holding Company 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 Holding Company 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, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries, with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other person(s) or entity(ies) 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 such audit procedures that we have 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 the 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 final dividend proposed in the previous year, declared and paid during the year by the Holding Company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Act, as applicable.

As stated in notes to the consolidated financial statements, the Board of Directors of the Holding Company, whose financial statements have been audited under the Act, where applicable, have

proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, the Company and its Indian subsidiaries have used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail enabled at the database level for accounting software SAP S/4 HANA to maintain log for any direct data changes in respect of the parent as well as all Indian subsidiaries. Further, during the course of our audit we and the respective auditors of above referred subsidiaries did not come across any instances of the audit trail feature being tempered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

- vii. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and by other auditors of its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

**Mukesh M. Shah**  
Partner

Membership No.: 030190  
UDIN: 24030190BKHRXW9244

Place: Ahmedabad  
Date: May 14, 2024

## “ANNEXURE A” TO THE AUDITORS’ REPORT

### Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Zydus Wellness Limited (hereinafter referred to as “Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

### Management Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 Act.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies incorporated in India.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control



over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion 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 Matter paragraph below, the Holding company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial

reporting 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 ICAI.

### Other matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 3 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.

Place: Ahmedabad  
Date: May 14, 2024

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

**Mukesh M. Shah**

Partner  
Membership No.: 030190  
UDIN: 24030190BKHRXW9244

# CONSOLIDATED BALANCE SHEET

As at March 31, 2024

₹ in Millions

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS:</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	3 [A]	2,467	2,704
Capital work-in-progress	3 [C]	97	130
Goodwill	3 [B]	39,200	39,200
Other intangible assets	3 [B]	5,408	5,420
Financial assets:			
Investments	4	7	-
Loans	5	-	20
Other financial assets	6	38	43
Deferred tax assets [net]	7	1,563	1,493
Other non-current assets	8	111	168
Assets for tax [net]	9	93	68
		<b>48,984</b>	<b>49,246</b>
<b>Current assets:</b>			
Inventories	10	4,676	4,575
Financial assets:			
Investments	11	769	700
Trade receivables	12	2,833	2,078
Cash and cash equivalents	13 [A]	800	370
Bank balance other than cash and cash equivalents	13 [B]	1,595	11
Loans	14	16	4
Other current financial assets	15	312	249
Other current assets	16	1,142	1,091
		<b>12,143</b>	<b>9,078</b>
Asset classified as held for sale	17	357	7
<b>Total</b>		<b>61,484</b>	<b>58,331</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Equity share capital	18	636	636
Other equity	19	52,939	50,590
		<b>53,575</b>	<b>51,226</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Financial liabilities:			
Lease liabilities	45	32	35
Other financial liabilities	20	17	13
Provisions	21	159	133
Other non-current liabilities	22	7	-
		<b>215</b>	<b>181</b>
<b>Current liabilities:</b>			
Financial liabilities:			
Borrowings	23	3,240	2,925
Lease liabilities	45	15	13
Trade payables:			
Dues to Micro and Small Enterprises	24	316	168
Dues to other than Micro and Small Enterprises	24	3,313	2,965
Other financial liabilities	25	162	191
Other current liabilities	26	361	386
Provisions	27	287	276
		<b>7,694</b>	<b>6,924</b>
<b>Total</b>		<b>61,484</b>	<b>58,331</b>
<b>Material Accounting Policies</b>	2		
<b>Notes to the Consolidated Financial Statements</b>	1 to 48		

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

## Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 14, 2024

## Dr. Sharvil P. Patel

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 14, 2024

## Tarun Arora

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 14, 2024

## Umesh V. Parikh

Chief Financial Officer

Place: Ahmedabad

Place: Ahmedabad

Date: May 14, 2024

## Nandish P. Joshi

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 14, 2024

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2024

₹ in Millions

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
<b>INCOME:</b>			
Revenue from operations	30	23,278	22,548
Other income	31	139	49
<b>Total Income</b>		<b>23,417</b>	<b>22,597</b>
<b>EXPENSES:</b>			
Cost of materials consumed		10,355	11,002
Purchases of stock-in-trade		1,124	1,143
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(95)	(685)
Employee benefits expense	33	1,934	1,673
Finance costs	34	240	161
Depreciation and amortisation expense	3 [A], 3 [B]	238	250
Other expenses	35	6,879	6,041
Net loss/ [gain] on foreign currency transactions		(1)	2
<b>Total Expenses</b>		<b>20,674</b>	<b>19,587</b>
<b>Profit before exceptional items and tax</b>		<b>2,743</b>	<b>3,010</b>
Less: Exceptional items	36	142	101
<b>Profit before Tax</b>		<b>2,601</b>	<b>2,909</b>
Less: Tax expense:			
Current tax	37	2	-
Deferred tax	37	(70)	(195)
		<b>(68)</b>	<b>(195)</b>
<b>Profit for the year</b>		<b>2,669</b>	<b>3,104</b>
<b>OTHER COMPREHENSIVE INCOME [OCI]:</b>			
Items that will not be reclassified to profit or loss:			
Re-measurement loss on post employment defined benefit plans		-	(1)
Income tax effect	37	-	-
Items that will be reclassified to profit or loss:			
Exchange differences on transaction of financial statement of foreign operations		(2)	1
<b>Other Comprehensive Income for the year [net of tax]</b>		<b>(2)</b>	<b>-</b>
<b>Total Comprehensive Income for the year [net of tax]</b>		<b>2,667</b>	<b>3,104</b>
<b>Profit attributable to:</b>			
Owners of the parent		2,669	3,104
<b>Other Comprehensive Income Attributable to:</b>			
Owners of the parent		(2)	-
<b>Total Comprehensive Income Attributable to:</b>			
Owners of the parent		2,667	3,104
<b>Basic &amp; diluted Earnings per equity share [EPS] after exceptional items [in ₹]</b>	38	41.94	48.78
<b>Basic &amp; diluted Earnings per equity share [EPS] before exceptional items [in ₹]</b>	38	44.18	50.36
<b>Material Accounting Policies</b>	2		
<b>Notes to the Consolidated Financial Statements</b>	1 to 48		

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

**Mukesh M. Shah**

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 14, 2024

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 14, 2024

**Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 14, 2024

**Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Date: May 14, 2024

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 14, 2024

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2024

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Cash flows from operating activities:</b>		
<b>Profit before tax</b>	2,601	2,909
Adjustments for:		
Depreciation and amortisation expense	238	250
Net [gain]/ loss on disposal of Property, plant and equipment	(35)	1
Net gain on sale of investments	(21)	(15)
Net gain on investments mandatorily measured at fair value through statement of profit and loss	(4)	(1)
Expected credit loss on trade receivables [net]	10	-
Interest income	(110)	(32)
Interest expense, Bank commission and charges	240	161
Amortisation of deferred revenue on Government grants	(27)	(7)
Provisions for probable product expiry claims and return of goods	-	49
Provision for employee benefits	37	14
<b>Operating profit before working capital changes</b>	<b>2,929</b>	<b>3,329</b>
Adjustments for:		
Increase in inventories	(101)	(958)
Increase in trade receivables	(761)	(650)
Increase in other assets	(18)	(238)
Increase/ [Decrease] in trade payables	485	(530)
Decrease in other liabilities	(43)	(23)
Cash generated from operations	<b>2,491</b>	<b>930</b>
Direct taxes paid [net of refunds]	(27)	(13)
<b>Net cash from operating activities</b>	<b>2,464</b>	<b>917</b>
<b>B Cash flows from investing activities:</b>		
Purchase of Property, plant and equipment and Other intangible assets	(285)	(450)
Proceeds from sale of property, plant and equipment	21	6
Investment in liquid mutual funds [net]	(44)	(414)
Loans given to other than related party	-	(24)
Repayment of loan by other than related party	8	-
Investments in non-current fixed deposit [net]	4	1
Purchase of non-current investments -other than subsidiaries	(7)	-
Interest received	110	32
<b>Net cash used in investing activities</b>	<b>(193)</b>	<b>(849)</b>
<b>C Cash flows from financing activities:</b>		
Repayment of non-current borrowings	(625)	(2,500)
Current Borrowings [net - (repayment)/ taken]	940	1,610
Repayment of lease liabilities	(18)	(17)
Interest paid	(235)	(159)
Dividend paid	(319)	(319)
<b>Net cash used in financing activities</b>	<b>(257)</b>	<b>(1,385)</b>
<b>Net increase/ [decrease] in cash and cash equivalents</b>	<b>2,014</b>	<b>(1,317)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>381</b>	<b>1,698</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,395</b>	<b>381</b>

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2024

## Notes to the Cash flow Statement

- The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".
- All figures in brackets are outflows.
- Previous year's figures have been regrouped wherever necessary.
- Cash and cash equivalents at the end [beginning] of the year include ₹ 4 [₹ 5] Millions not available for immediate use.
- Cash and cash equivalents comprise of:

₹ in Millions

Particulars	Note No.	As at March 31		
		2024	2023	2022
a Cash and cash equivalents	13 [A]	800	370	1,154
b Bank balances other than cash and cash equivalents	13 [B]	1,595	11	544
<b>Total</b>		<b>2,395</b>	<b>381</b>	<b>1,698</b>

- Summary of Cash and cash equivalents, liquid mutual funds and fixed deposits more than twelve months:

₹ in Millions

Particulars	Note No.	As at March 31		
		2024	2023	2022
a Cash and cash equivalents (as above)	13 [A], 13 [B]	2,395	381	1,698
b Investment in liquid mutual funds	11	769	700	270
c Fixed deposits more than 12 months	6	-	4	5
<b>Total</b>		<b>3,164</b>	<b>1,085</b>	<b>1,973</b>

- Change in liability arising from financing activities:

₹ in Millions

Particulars	Borrowings [Refer Note 23]		
	Non-current	Current	Total
<b>As at March 31, 2022</b>	<b>3,125</b>	<b>690</b>	<b>3,815</b>
Cash Flow [net]	(2,500)	1,610	(890)
<b>As at March 31, 2023</b>	<b>625</b>	<b>2,300</b>	<b>2,925</b>
Cash Flow [net]	(625)	940	315
<b>As at March 31, 2024</b>	<b>-</b>	<b>3,240</b>	<b>3,240</b>

As per our report of even date

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

For and on behalf of the Board

### Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 14, 2024

### Dr. Sharvil P. Patel

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 14, 2024

### Tarun Arora

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 14, 2024

### Umesh V. Parikh

Chief Financial Officer

Place: Ahmedabad

Place: Ahmedabad

Date: May 14, 2024

### Nandish P. Joshi

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 14, 2024

# STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

For the year ended March 31, 2024

## A Equity Share Capital:

Particulars	No. of Shares	₹ in Millions
<b>Equity Shares of ₹ 10/- each, Issued, subscribed and fully paid-up:</b>		
As at March 31, 2022	63,632,144	636
As at March 31, 2023	63,632,144	636
<b>As at March 31, 2024</b>	<b>63,632,144</b>	<b>636</b>

## B Other Equity:

₹ in Millions

Particulars	Reserves and Surplus			Items of OCI	Total
	Securities Premium	General Reserve	Retained Earnings	Foreign currency translation reserves	
<b>As at March 31, 2022</b>	<b>35,370</b>	<b>450</b>	<b>11,981</b>	<b>3</b>	<b>47,804</b>
Add: Profit for the year	-	-	3,104	-	3,104
Add/ [Less]: Other Comprehensive income	-	-	(1)	1	-
Total Comprehensive Income	-	-	3,103	1	3,104
Transactions with Owners in their capacity as owners:					
Less: Dividends	-	-	(318)	-	(318)
<b>As at March 31, 2023</b>	<b>35,370</b>	<b>450</b>	<b>14,766</b>	<b>4</b>	<b>50,590</b>
Add: Profit for the year	-	-	2,669	-	2,669
Less: Other Comprehensive income	-	-	-	(2)	(2)
Total Comprehensive Income	-	-	2,669	(2)	2,667
Transactions with Owners in their capacity as owners:					
Less: Dividends	-	-	(318)	-	(318)
<b>As at March 31, 2024</b>	<b>35,370</b>	<b>450</b>	<b>17,117</b>	<b>2</b>	<b>52,939</b>

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

### Mukesh M. Shah

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 14, 2024

### Dr. Sharvil P. Patel

Chairman

DIN: 00131995

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Date: May 14, 2024

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DIN: 07185311

Place: Ahmedabad

Date: May 14, 2024

### Umesh V. Parikh

Chief Financial Officer

Place: Ahmedabad

Place: Ahmedabad

Date: May 14, 2024

### Nandish P. Joshi

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 14, 2024

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note: 1 - Group Overview:

The consolidated financial statements comprise financial statements of Zydus Wellness Limited ["the Parent"] [CIN: L15201GJ1994PLC023490] and its Subsidiaries [collectively, "the Group"] for the year ended as at March 31, 2024. The Group operates as an integrated consumer Group with business encompassing the entire value chain in the development, production, marketing and distribution of health and wellness products. The product portfolio of the Group includes brands like Sugar Free, I'm Lite, Everyuth, Nutralite, Complian, Glucon-D, Nycil and Sampriti Ghee. The Parent's shares are listed on the National Stock Exchange of India Limited [NSE] and BSE Limited [BSE]. The registered office of the Parent is located at Zydus Corporate Park, Scheme No. 63, Survey No. 536 Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad 382 481. These financial statements were authorised for issuance in accordance with a resolution passed by Board of Directors at its meeting held on May 14, 2024.

## Note: 2 - Material Accounting Policies:

**A** The following note provides list of the Material Accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

### 1 Basis of preparation:

**A** The financial statements are in compliance with the Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

**B** The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value at the end of the reporting periods:

- i Derivative financial instruments
- ii Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]
- iii Defined benefit plans

### 2 Basis of consolidation:

**A** The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its

involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a Power over the investee [i.e. existing rights that give it the current ability to direct the relevant activities of the investee]
- b Exposure, or rights, to variable returns from its involvement with the investee and
- c The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a The contractual arrangement with the other vote holders of the investee.
- b Rights arising from other contractual arrangements.
- c The Group's voting rights and potential voting rights.
- d The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

**B** The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

**C** Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

- D** The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.
- 3 Business combinations and Goodwill:**
- A** Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value.
- B** At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements acquired in a business combination are recognised and measured in accordance with Ind AS-12 "Income Tax" and Ind AS-19 "Employee Benefits" respectively.
- C** When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.
- D** Goodwill is initially measured at the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as Capital Reserve, without routing the same through OCI.
- E** After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value less any accumulated impairment. For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.
- F** A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of profit and loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.
- G** If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.
- H** Wherever any business combination is governed by the Scheme approved by the Hon'ble High Court/ National Company Law Tribunal [NCLT], the business combination is accounted for as per the accounting treatment sanctioned in the Scheme. Goodwill arising on such business combination is amortised over the period, as provided in the Scheme, as approved by the Hon'ble High Court or NCLT.
- 4 Use of Estimates:**
- The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

### Critical accounting judgments and estimates:

#### A Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions and possibility of utilisation of Minimum Alternate Tax [MAT] credit in future.

#### B Property, Plant and Equipment:

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

#### C Employee Benefits:

Actuarial valuation involves key assumptions of life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

#### D Product warranty and expiry claims:

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockist.

#### E Impairment of Property, Plant and Equipments, Goodwill, Other Intangible Assets and Investments:

Significant judgment is involved in determining the estimated future cash flows from the Investments,

Property, Plant and Equipment, other intangible assets and Goodwill to determine its value in use to assess whether there is any impairment in its carrying amount as reflected in the financials.

#### F Contingent liabilities:

Significant judgment is involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources.

#### 5 Foreign Currency Transactions:

The Group's Consolidated Financial statements are presented in Indian Rupees [₹], which is the functional currency of the Parent Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

A The transactions in foreign currencies are translated into functional currency by the Group's entities at their respective functional currency rate of exchange prevailing on the dates of transactions.

B Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.

C Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of Profit and Loss within finance costs. All the other foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis.

D Investments in foreign companies are recorded in functional currency at the rates of exchange prevailing at the time when the investments were made.

E Group Companies:

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their Statements of profit and loss are translated at average exchange rates prevailing during the year. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of profit and loss.

#### 6 Revenue Recognition:

A The Group has applied Ind AS 115 - "Revenue from Contracts with Customers" which is effective for an annual period beginning on or after April 1, 2018. The following is the material accounting policy related to revenue recognition under Ind AS 115.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### a Sale of Goods:

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer. The goods are often sold with volume discounts/ pricing incentives/ chargebacks/ rebates and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts/ MRP, net of discounts, chargebacks and other similar allowances. When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price [excluding estimates of variable consideration] that is allocated to that performance obligation. These are calculated on the basis of historical experience and the specific terms in the individual contracts. Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Group.

### b Service Income:

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

**B** The specific recognition criteria described below must also be met before revenue is recognised:

#### a Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective

interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

#### b Dividend:

Dividend income is recognised when the Group's right to receive the payment is established.

#### c Other Income:

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

### 7 Government Grants:

**A** Government grants are recognised only when there is a reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

**B** Government grants related to revenue are recognised on a systematic and gross basis in the Statement of Profit and Loss over the period during which the related costs intended to be compensated are incurred.

**C** Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.

### 8 Taxes on Income:

Tax expenses comprise of current and deferred tax.

#### A Current Tax:

a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961 for Indian entities or provisions of respective countries where the Group operates and generate taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Current tax items are recognised in correlation to the underlying transaction either in profit or loss, Other Comprehensive Income (OCI) or directly in equity.

#### B Deferred Tax:

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

- c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.
- d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.
- f Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, OCI or directly in equity.
- g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.
- h Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax.
- i The Group recognizes MAT credit available as an asset only when and to the extent there is a convincing evidence of actual utilisation of such credit and also based on historical experience that the Group will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. Such asset, if any recognised, is reviewed at each balance sheet date and the carrying amount is written down to the extent there is no longer a convincing evidence that the Group will be liable to pay normal tax during the specified period.

### 9 Property, Plant and Equipment:

- A** Freehold land is carried at historical cost less impairment, if any. All other items of Property, Plant and Equipment are stated at historical cost of acquisition/construction less accumulated depreciation and impairment loss. Historical cost [Net of Input tax credit received/receivable] includes related expenditure and pre-operative &

project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs charged to the statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment. On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, Plant and Equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

- B** Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.
- C** Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 which may be different for foreign entities. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

The estimated useful lives are as follows:

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

- D** Depreciation on impaired assets is calculated on its residual value, if any, on a systematic basis over its remaining useful life.
- E** Depreciation on additions/ disposals of the Property, Plant and Equipment during the year is provided on pro-rata basis according to the period during which assets are used.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

- F** Where the actual cost of purchase of an asset is below ₹ 10,000/-, the depreciation is provided at 100%.
- G** Capital work in progress is stated at cost less accumulated impairment loss, if any.
- H** An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the statement of profit and loss when the asset is derecognised.
- 10 Intangible Assets:**
- A** Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- B** Internally generated intangibles are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.
- C** Technical Know-how Fees, Trademark and other similar rights are amortised over their estimated useful life.
- D** Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life as estimated by the management at the time of capitalisation.
- E** Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
- F** An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the statement of profit and loss when the asset is derecognised.
- 11 Research and Development Cost:**
- A** Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.
- B** Capital expenditure on research and development is given the same treatment as Property, Plant and Equipment.
- 12 Borrowing Costs:**
- A** Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- B** Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.
- 13 Impairment of Non Financial Assets:**
- The Property, Plant and Equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or Groups of assets [cash generating units]. Non-financial assets other than goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- 14 Inventories:**
- Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:
- A** Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Works-in-Progress are valued at lower of cost and net realisable value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

**B** Cost [Net of Input tax credit availed] of Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Work-in-Progress is determined on Moving Average Method.

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Write down of inventories to net realisable value is recognised as an expenses and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and "Cost of Material Consumed" in the relevant note in the Statement of Profit and Loss.

### 15 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks.

### 16 Provisions, Contingent Liabilities and Contingent Assets:

**A** Provisions are recognised when the Group has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

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

### 17 Provision for Product Expiry Claims:

Provisions for product expiry related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of product expiry claim related costs is revised annually.

### 18 Employee Benefits:

#### A Short term obligations:

Liabilities for wages and salaries, including leave encashment that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### B Long term employee benefits obligations:

##### a Leave Wages and Sick Leave:

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

##### b Defined Benefit Plans:

###### Gratuity:

The Group operates a defined benefit gratuity plan with contributions to be made to a separately administered fund through Life Insurance Corporation of India through Employees Group Gratuity Plan. The Liability or Asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at the end of the reporting period using the projected unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the statement of Profit and Loss.

Re-measurements gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "Other Comprehensive Income" and are included in retained earnings in the Statement of Changes in Equity and in the Balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

- i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- ii Net interest expense or income.

### Group administered Provident Fund:

In case of a specified class of employees, who are eligible to receive benefits of Group administered provident funds, such contributions are deposited to Employee's Provident Fund Trust. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Contributions to such provident fund are recognised as employee benefits expenses when they are due in the statement of profit and loss.

### c Defined Contribution Plans - Provident Fund Contribution:

Specified class of employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the entities make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Group have no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employees benefit expenses when they are due in the statement of profit and loss.

### C Employee Separation Costs:

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

### 19 Dividends :

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Parent's Board of Directors.

### 20 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### A Financial assets:

##### a Initial recognition and measurement:

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

##### b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified into four categories as follows:

##### i Debt instruments at amortised cost:

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

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

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

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

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

### iii Debt instruments and derivatives at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### iv Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Group has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### c Derecognition:

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

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

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

### d Impairment of financial assets:

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

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it requires the Group to recognise the impairment loss allowance based on lifetime

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics.

### **B Financial liabilities:**

#### **a Initial recognition and measurement:**

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

#### **b Subsequent measurement:**

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

#### **c Derecognition:**

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

#### **d Embedded derivatives:**

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

### **C Reclassification of financial assets:**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

### D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 21 Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a In the principal market for the asset or liability, or
- b In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

- b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation [based on the lowest level input that is significant to the fair value measurement as a whole] at the end of each reporting period.

### 22 Leases:

#### As a lessee:

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset [the underlying asset] for a period of time in exchange for consideration'.

#### Measurement and recognition of leases as a lessee:

At lease commencement date, the 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, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date [net of any incentives received]. The 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 Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments [including in substance fixed], variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in Statement of Profit and Loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment.

### As a lessor:

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

### 23 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group.

### 24 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, shares 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.

### 25 Assets held for sale

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. The fair value of the disposal groups is estimated using valuation techniques [including income and market approach] which includes unobservable inputs.

### B Recent Accounting Pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. For the year ended March 31, 2024, there are no new standards or amendments to the existing standards which are notified but not yet effective.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 3 - Property, plant and equipment & Intangible Assets:

#### [A] Property, Plant and Equipment:

₹ in Millions

Particulars	Freehold Land	Leasehold Land *	Buildings *	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Gross Block:</b>								
<b>As at March 31, 2022</b>	<b>624</b>	<b>162</b>	<b>1,234</b>	<b>2,228</b>	<b>74</b>	<b>47</b>	<b>42</b>	<b>4,411</b>
Additions	-	-	200	258	4	11	11	484
Disposals	-	-	-	(44)	(2)	(7)	(1)	(54)
Asset held for sale **	-	-	(12)	(3)	(1)	-	-	(16)
<b>As at March 31, 2023</b>	<b>624</b>	<b>162</b>	<b>1,422</b>	<b>2,439</b>	<b>75</b>	<b>51</b>	<b>52</b>	<b>4,825</b>
Additions	-	-	142	155	9	18	6	330
Disposals	-	-	-	(10)	-	(4)	-	(14)
Asset held for sale **	-	(104)	(426)	-	-	-	-	(530)
<b>As at March 31, 2024</b>	<b>624</b>	<b>58</b>	<b>1,138</b>	<b>2,584</b>	<b>84</b>	<b>65</b>	<b>58</b>	<b>4,611</b>
<b>Depreciation and Impairment:</b>								
<b>As at March 31, 2022</b>	<b>-</b>	<b>14</b>	<b>309</b>	<b>1,546</b>	<b>48</b>	<b>23</b>	<b>26</b>	<b>1,966</b>
Depreciation for the year	-	2	56	137	5	5	5	210
Disposals	-	-	-	(41)	(1)	(3)	(1)	(46)
Asset held for sale **	-	-	(6)	(2)	(1)	-	-	(9)
<b>As at March 31, 2023</b>	<b>-</b>	<b>16</b>	<b>359</b>	<b>1,640</b>	<b>51</b>	<b>25</b>	<b>30</b>	<b>2,121</b>
Depreciation for the year	-	2	59	129	5	5	7	207
Disposals	-	-	-	(10)	-	(1)	-	(11)
Asset held for sale **	-	(10)	(163)	-	-	-	-	(173)
<b>As at March 31, 2024</b>	<b>-</b>	<b>8</b>	<b>255</b>	<b>1,759</b>	<b>56</b>	<b>29</b>	<b>37</b>	<b>2,144</b>
<b>Net Block:</b>								
<b>As at March 31, 2023</b>	<b>624</b>	<b>146</b>	<b>1,063</b>	<b>799</b>	<b>24</b>	<b>26</b>	<b>22</b>	<b>2,704</b>
<b>As at March 31, 2024</b>	<b>624</b>	<b>50</b>	<b>883</b>	<b>825</b>	<b>28</b>	<b>36</b>	<b>21</b>	<b>2,467</b>

#### [B] Intangible Assets:

₹ in Millions

Particulars	Goodwill	Other intangible assets				Total
		Brand/Trade Mark	Softwares	Commercial Rights	Technical Know-how	
<b>Gross Block:</b>						
<b>As at March 31, 2022</b>	<b>39,200</b>	<b>5,388</b>	<b>188</b>	<b>1</b>	<b>0</b>	<b>5,577</b>
Additions	-	-	5	-	-	5
<b>As at March 31, 2023</b>	<b>39,200</b>	<b>5,388</b>	<b>193</b>	<b>1</b>	<b>0</b>	<b>5,582</b>
Additions	-	-	19	-	-	19
Disposals	-	-	(75)	-	-	(75)
<b>As at March 31, 2024</b>	<b>39,200</b>	<b>5,388</b>	<b>137</b>	<b>1</b>	<b>0</b>	<b>5,526</b>
<b>Amortisation and Impairment:</b>						
<b>As at March 31, 2022</b>	<b>-</b>	<b>1</b>	<b>120</b>	<b>1</b>	<b>0</b>	<b>122</b>
Amortisation for the year	-	-	40	-	-	40
<b>As at March 31, 2023</b>	<b>-</b>	<b>1</b>	<b>160</b>	<b>1</b>	<b>0</b>	<b>162</b>
Amortisation for the year	-	-	31	-	-	31
Disposals	-	-	(75)	-	-	(75)
<b>As at March 31, 2024</b>	<b>-</b>	<b>1</b>	<b>116</b>	<b>1</b>	<b>0</b>	<b>118</b>
<b>Net Block:</b>						
<b>As at March 31, 2023</b>	<b>39,200</b>	<b>5,387</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>5,420</b>
<b>As at March 31, 2024</b>	<b>39,200</b>	<b>5,387</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>5,408</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 3 - Property, plant and equipment & Intangible Assets: (Contd...)

#### Goodwill:

- Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units [CGUs] those are expected to get benefit from that business combination. The carrying amount of goodwill has been allocated to Consumer Health & Wellness.
- The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU/ groups of CGU over a period of five years. An average of the range of key assumptions used is mentioned below. As of March 31, 2024 and March 31, 2023, the estimated recoverable amount of the CGU exceeded its carrying amount. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
Long Term Growth Rate	6.00%	6.50%
Discount Rate	10.50%	10.60%

The above discounted rate is based on the Weighted Average Cost of Capital [WACC]. These estimates are likely to differ from future actual results of operations and cash flows.

#### [C] Ageing of Capital work-in-progress (CWIP):

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
<b>Projects in progress:</b>		
Less than 1 year	95	105
1 - 2 years	2	23
2 - 3 years	-	2
<b>Total Capital work-in-progress</b>	<b>97</b>	<b>130</b>

Project execution plans are modulated on the basis of capacity requirement assessment annually and all the projects are executed based on rolling annual plan.

#### Notes:

1 Legal titles of the immovable properties are in the name of the Group [excluding lease assets].

[\*] Includes right of use assets, Refer Note 45 for detailed breakup.

[\*\*] Refer Note 17

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 4 - Investments:

₹ in Millions				
Particulars	Face Value [*]	Nos. [**]	As at March 31, 2024	As at March 31, 2023
Investments - Others				
Investments in equity instruments			1	-
Investments in debentures			6	-
<b>Total</b>			<b>7</b>	<b>-</b>
A Details of Investments - Others				
Investments in equity instruments [valued at cost]:				
Others [Unquoted]:				
In fully paid-up equity shares of:				
AMP Energy Green Thirteen Private Limited [***]	10	72,000 [0]	1	-
Investments in Compulsorily Convertible Debentures [valued at cost]:				
Others [Unquoted]:				
0.01%, AMP Energy Green Thirteen Private Limited	1,000	6,480 [0]	6	-
<b>Total</b>			<b>7</b>	<b>-</b>
B Aggregate book value of unquoted investment			7	-
C Explanations:				
a In "Face Value [*]", figures in Indian ₹, unless stated otherwise.				
b In "Nos. [**]" figures of previous year are same unless stated in [ ].				

[\*\*\*] In line with the philosophy of enhancing the share of renewable power source in its operations, the Group has entered into a Power Purchase Agreement [PPA] during the year with AMP Energy Green Thirteen Private Limited [AMP] to procure agreed output of solar energy. Further, to comply with regulatory requirement for being a "captive user" under the Electricity Laws, 2003, during the year, the Group has entered into the Share Purchase, Subscription and Shareholder's Agreement [SPSSA] to acquire up to 0.693% stake on a fully diluted basis in AMP in one or more tranches, throughout the term of the definitive agreements i.e. PPA and SPSSA.

Further, the Group has also subscribed to 6,480 Compulsorily Convertible Debentures [CCD] of AMP of ₹ 1,000 each carrying interest of 0.01% for a total consideration of ₹ 6 Millions.

### Note: 5 - Loans:

₹ in Millions		
Particulars	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Loans to other than related party	-	20
<b>Total</b>	<b>-</b>	<b>20</b>

### Note: 6 - Other financial assets:

₹ in Millions		
Particulars	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Security deposits	38	39
Fixed deposits with more than 12 months maturity	-	4
<b>Total</b>	<b>38</b>	<b>43</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 7 - Deferred tax assets [net]:

A. Break up of deferred tax liabilities and assets into major components of the respective balances are as under:

₹ in Millions

Particulars	As at March 31, 2022	Impact for the previous year	As at March 31, 2023	Impact for the current year	As at March 31, 2024
<b>Deferred tax liabilities</b>					
Depreciation	135	2	137	29	166
	<b>135</b>	<b>2</b>	<b>137</b>	<b>29</b>	<b>166</b>
<b>Deferred tax assets</b>					
Employee benefits/ Payable to statutory authorities	41	(20)	21	29	50
Unabsorbed business loss and depreciation	272	189	461	(108)	353
Provision for Expiry and Breakages	57	16	73	-	73
Disallowance under section 35DD of Income tax Act	2	(2)	-	-	-
Disallowance under section 40(a)(ia) of Income tax Act	6	14	20	(14)	6
Others	4	-	4	4	8
	<b>382</b>	<b>197</b>	<b>579</b>	<b>(89)</b>	<b>490</b>
<b>Minimum alternative tax credit entitlement</b>	<b>1,051</b>	<b>-</b>	<b>1,051</b>	<b>188</b>	<b>1,239</b>
<b>Net Deferred Tax Assets</b>	<b>1,298</b>	<b>195</b>	<b>1,493</b>	<b>70</b>	<b>1,563</b>

- B. The net deferred tax assets of ₹ 70 Millions [March 31, 2023: ₹ 195 Millions] for the year has been credited in the Statement of Profit and Loss.
- C. Deferred tax expense for the year ended March 31, 2024, includes recognition of Minimum Alternate Tax (MAT) credit entitlement amounting to ₹ 188 Millions [March 31, 2023: ₹ Nil].
- D. The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- E. The Group has tax losses which arose in India of ₹ 4,463 Millions [March 31, 2023: ₹ 6,777 Millions] that are available for offsetting for indefinite period, except losses of ₹ 1,404 Millions which are available for offset for eight years against future taxable profits of the companies in which the losses arose. Out of ₹ 1,404 Millions, majority of these losses will expire in March 2029.

In India, unabsorbed depreciation is allowed to be set-off for indefinite period. MAT Credit not recognised as at March 31, 2024 is ₹ 354 Millions [March 31, 2023: ₹ 541 Millions]. Such MAT credit has not been recognised and included as a component of deferred tax asset in the balance sheet, as, on the basis of the assessment made by the management of the respective Company's profitability and operational plans in the foreseeable future, the management is of the view that presently, there is no convincing evidence that the respective Company would be liable to pay income tax under the normal provisions of the Income-tax Act for the periods up to which the Group is eligible to utilise the unused MAT credit.

Further, notwithstanding the foregoing, the respective Company can elect to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 consequent to which the entire MAT credit would no longer be allowed for utilisation.

### Note: 8 - Other non-current assets:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Capital advances	8	28
Balances with statutory authorities	103	140
<b>Total</b>	<b>111</b>	<b>168</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 9 - Assets for tax [net]:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Advance payment of tax [Net of provision for taxation]	93	68
<b>Total</b>	<b>93</b>	<b>68</b>

### Note: 10 - Inventories:

[The Inventory is valued at lower of cost and net realisable value]

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Classification of Inventories:</b>		
Raw Materials	704	717
Work-in-progress	1,527	1,149
Finished Goods	1,851	2,154
Stock-in-Trade	171	151
Store and Spares	131	95
Others:		
Packing Materials	292	309
<b>Total</b>	<b>4,676</b>	<b>4,575</b>
The above includes Goods in transit as under:		
Raw Materials	80	7
Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories:		
- Net of reversal of write down	106	136

### Note: 11 - Investments:

₹ in Millions

Particulars	Nos. [*]	As at March 31, 2024	As at March 31, 2023
Investment in Mutual Funds [Quoted] [Valued at fair value through profit or loss]			
ICICI prudential Overnight Fund DP Growth	595,818.948 [579,002.815]	769	700
<b>Total</b>		<b>769</b>	<b>700</b>
A. Aggregate amount of quoted investments and market value thereof		769	700
[*] In "Nos." figures of previous year are stated in [ ]			

### Note: 12 - Trade receivables:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured - Considered good	2,833	2,078
Unsecured - Credit impaired	23	16
	<b>2,856</b>	<b>2,094</b>
Less: Allowances for credit losses	(23)	(16)
<b>Total</b>	<b>2,833</b>	<b>2,078</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note:12 - Trade receivables: (Contd...)

#### Ageing of Trade receivables :

##### [A] As at March 31, 2024

₹ in Millions

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed – considered good	2,296	490	47	-	-	-	2,833
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	5	8	1	4	18
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	1	4	5
<b>Total</b>	<b>2,296</b>	<b>490</b>	<b>52</b>	<b>8</b>	<b>2</b>	<b>8</b>	<b>2,856</b>
Less: Allowances for credit losses							(23)
<b>Trade Receivables</b>							<b>2,833</b>

##### [B] As at March 31, 2023

₹ in Millions

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed – considered good	1,683	367	28	-	-	-	2,078
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	2	3	3	2	10
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	1	-	-	5	-	6
<b>Total</b>	<b>1,683</b>	<b>368</b>	<b>30</b>	<b>3</b>	<b>8</b>	<b>2</b>	<b>2,094</b>
Less: Allowances for credit losses							(16)
<b>Trade Receivables</b>							<b>2,078</b>

### Note: 13 [A] - Cash and cash equivalents:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks	798	369
Cash on hand	2	1
<b>Total</b>	<b>800</b>	<b>370</b>

### Note: 13 [B] - Bank balance other than cash and cash equivalents:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Unclaimed dividend accounts	4	5
Fixed deposits	1,591	6
<b>Total</b>	<b>1,595</b>	<b>11</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 14 - Loans:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Loans to other than related party	16	4
<b>Total</b>	<b>16</b>	<b>4</b>

### Note: 15 - Other current financial assets:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Other receivables	312	249
<b>Total</b>	<b>312</b>	<b>249</b>

### Note: 16 - Other current assets:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
[Unsecured, Considered Good unless otherwise stated]		
Advances to suppliers	84	73
Prepaid expenses	33	31
Balances with statutory authorities	1,025	987
<b>Total</b>	<b>1,142</b>	<b>1,091</b>

### Note: 17 - Asset classified as held for sale:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Leasehold land [*]	94	-
Buildings [*]	263	6
Plant and equipment [*]	-	1
<b>Total</b>	<b>357</b>	<b>7</b>

[\*] Refer Note 3 [A]

### Non-recurring fair value measurements:

- A. During the year ended March 31, 2024, the Group has decided to sell assets at Sitarganj location in Uttarakhand. The sale is intended to be completed within a period of one year. In accordance with Ind AS 105 "Non-Current Assets held for Sale and Discontinued Operations", such assets are classified as "Assets held for sale" from Property, plant and equipment and disclosed separately at the lower of its carrying value and fair value less costs to sell.
- B. During the year ended March 31, 2023, the Group had decided to sell assets at Rabale location in Mumbai. The sale transaction is estimated to be completed within a period of one year. In accordance with Ind AS 105 "Non-Current Assets held for Sale and Discontinued Operations", such assets are classified as "Assets held for sale" from Property, plant and equipment and disclosed separately at the lower of its carrying amount and fair value less cost to sell.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 18 - Equity share capital:

Particulars		As at March 31, 2024	As at March 31, 2023
<b>Authorised:</b>			
100,000,000 [as at March 31, 2023: 100,000,000] Equity shares of ₹ 10 each	₹ in Millions	1,000	1,000
<b>Total</b>		<b>1,000</b>	<b>1,000</b>
<b>Issued, subscribed and fully paid-up:</b>			
63,632,144 [as at March 31, 2023: 63,632,144] Equity shares of ₹ 10 each	₹ in Millions	636	636
<b>Total</b>		<b>636</b>	<b>636</b>
A.	The reconciliation in number of Equity shares is as under:		
	Number of shares at the beginning and end of the year	63,632,144	63,632,144
B.	The Parent has issued only one class of equity shares having a face value of ₹ 10 each per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Parent Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts and all liabilities.		
C.	Details of Shareholders holding more than 5% of total equity shares of the Company		
	Zydus Lifesciences Limited		
	Number of Shares	36,647,509	36,647,509
	% to total share holding	57.59%	57.59%
	Zydus Family Trust		
	Number of Shares	7,645,159	5,627,573
	% to total share holding	12.01%	8.84%
	Threpsi Care LLP (True North)		
	Number of Shares	6,440,216	7,220,216
	% to total share holding	10.12%	11.35%
D.	Number of shares held by Holding Company		
	Zydus Lifesciences Limited	36,647,509	36,647,509

#### E. Details of Equity Shares held by promoters/ promoter group.

##### As at March 31, 2024

Sr. No.	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Lifesciences Limited	36,647,509	57.59%	0.00%
2	Zydus Family Trust	7,645,159	12.01%	3.17%
3	Mr. Pankaj R. Patel	1,599	0.00%	0.00%
4	Pankaj R. Patel HUF	1,066	0.00%	0.00%
5	Pripan Investment Private Limited	640	0.00%	0.00%
6	Pankaj R. Patel (Taraben Patel Family Will Trust)	533	0.00%	0.00%
7	Mrs. Priti P. Patel	533	0.00%	0.00%
8	Dr. Sharvil P. Patel	533	0.00%	0.00%
9	Mrs. Shivani P. Patel	533	0.00%	0.00%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 18 - Equity share capital: (Contd...)

As at March 31, 2023

Sr. No.	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Lifesciences Limited	36,647,509	57.59%	0.00%
2	Zydus Family Trust	5,627,573	8.84%	1.62%
3	Mr. Pankaj R. Patel	1,599	0.00%	0.00%
4	Pankaj R. Patel HUF	1,066	0.00%	0.00%
5	Pripan Investment Private Limited	640	0.00%	0.00%
6	Pankaj R. Patel (Taraben Patel Family Will Trust)	533	0.00%	0.00%
7	Mrs. Priti P. Patel	533	0.00%	0.00%
8	Dr. Sharvil P. Patel	533	0.00%	0.00%
9	Mrs. Shivani P. Patel	533	0.00%	0.00%

### Note: 19 - Other equity:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Securities Premium: [*]</b>		
Balance as per last Balance Sheet	35,370	35,370
<b>General reserve: [**]</b>		
Balance as per last Balance Sheet	450	450
<b>Foreign Currency Translation Reserve:</b>		
Balance as per last Balance Sheet	4	3
[Less]/ Add: [Debited]/ Credited during the year	(2)	1
Balance as at the end of the year	<b>2</b>	<b>4</b>
<b>Retained Earnings:</b>		
Balance as per last Balance Sheet	14,766	11,981
Add: Profit for the year	2,669	3,104
Less: Other Comprehensive Income for the year		
Re-measurement losses on defined benefit plans [net of tax]	-	(1)
	<b>17,435</b>	<b>15,084</b>
Less: Dividends	(318)	(318)
	<b>(318)</b>	<b>(318)</b>
Balance as at the end of the year	<b>17,117</b>	<b>14,766</b>
<b>Total</b>	<b>52,939</b>	<b>50,590</b>

[\*] Securities premium is created due to premium on issue of shares. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

[\*\*] General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 20 - Other financial liabilities:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Other deposits	17	13
<b>Total</b>	<b>17</b>	<b>13</b>

### Note: 21 - Provisions:

Particulars	₹ in Millions	
	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	159	133
<b>Total</b>	<b>159</b>	<b>133</b>

### Defined benefit plan and long term employment benefit

#### A General description:

##### Leave wages [Long term employment benefit]:

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance [Cash Accumulation] Scheme. The employees of the Group are entitled to leave as per the leave policy of the Group. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

##### Gratuity [Defined benefit plan]:

The Group has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

##### Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

##### Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

##### Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

##### Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 21 - Provisions: (Contd...)

₹ in Millions

Particulars	March 31, 2024			March 31, 2023		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
<b>B Change in the present value of the defined benefit obligation:</b>						
Opening obligation	35	141	227	35	139	235
Transfer in obligation	-	-	-	-	-	1
Interest cost	2	10	15	2	9	14
Current service cost	7	27	25	7	18	23
Benefits paid	(10)	(31)	(21)	(13)	(26)	(39)
Actuarial [gains] / losses on obligation due to:	-	-	-	-	-	-
Experience adjustments	10	9	3	5	6	(1)
Change in financial assumptions	-	2	3	(1)	(5)	(6)
Translation difference	-	(1)	-	-	-	-
<b>Closing obligation</b>	<b>44</b>	<b>157</b>	<b>252</b>	<b>35</b>	<b>141</b>	<b>227</b>
<b>C Change in the fair value of plan assets:</b>						
Opening fair value of plan assets	-	24	201	-	23	222
Transfer in obligation	-	-	-	-	-	1
Return on plan assets excluding amounts included in interest income	-	-	6	-	-	(8)
Expected return on plan assets	-	1	14	-	1	15
Contributions by employer	-	-	13	-	-	10
Benefits paid	-	-	(21)	-	-	(39)
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>25</b>	<b>213</b>	<b>-</b>	<b>24</b>	<b>201</b>
<b>Total actuarial losses/ [gains] to be recognised</b>	<b>10</b>	<b>11</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>(7)</b>
<b>D Actual return on plan assets:</b>						
Expected return on plan assets	-	1	14	-	1	15
Return on plan assets excluding amounts included in interest income	-	-	6	-	-	(8)
<b>Total actual return on plan assets</b>	<b>-</b>	<b>1</b>	<b>20</b>	<b>-</b>	<b>1</b>	<b>7</b>
<b>E Amount recognised in the balance sheet:</b>						
Liabilities at the end of the year	44	157	252	35	141	227
Fair value of plan assets at the end of the year	-	(25)	(213)	-	(24)	(201)
<b>Liabilities recognised in the Balance Sheet [*]</b>	<b>44</b>	<b>132</b>	<b>39</b>	<b>35</b>	<b>117</b>	<b>26</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 21 - Provisions: (Contd...)

₹ in Millions

Particulars	March 31, 2024			March 31, 2023		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
<b>F Expenses / [Incomes] recognised in the Statement of Profit and Loss:</b>						
Current service cost	7	27	25	7	18	23
Interest cost on benefit obligation	2	10	15	2	9	14
Expected return on plan assets	-	(1)	(14)	-	(1)	(15)
Return on plan assets excluding amounts included in interest income	-	-	-	-	-	-
Net actuarial losses in the year	10	11	-	4	1	-
Amount included in "Employee Benefits Expense"	<b>19</b>	<b>47</b>	<b>26</b>	<b>13</b>	<b>27</b>	<b>22</b>
Return on plan assets excluding amounts included in interest income	-	-	(6)	-	-	8
Net actuarial losses/ [gains] in the year	-	-	6	-	-	(7)
<b>Amounts recognized in Other Comprehensive income [OCI]</b>	-	-	-	-	-	<b>1</b>
<b>G Movement in net liabilities recognised in Balance sheet:</b>						
Opening net liabilities	35	117	26	35	116	13
Expenses as above [Profit & Loss Charge]	19	47	26	13	27	22
Amount recognised in OCI	-	-	-	-	-	1
Contribution to plan assets	-	-	(13)	-	-	(10)
Benefits Paid	(10)	(31)	-	(13)	(26)	-
Translation difference	-	(1)	-	-	-	-
<b>Liabilities recognised in the Balance Sheet [*]</b>	<b>44</b>	<b>132</b>	<b>39</b>	<b>35</b>	<b>117</b>	<b>26</b>
<b>H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:</b>						
Discount rate	7.20%	7.20%	7.20%	7.45%	7.45%	7.45%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations.]						
Annual increase in salary cost	9%			9%		
[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]						
Withdrawal rates [p.a.]	40% at younger ages reducing to 1% at older ages			40% at younger ages reducing to 1% at older ages		
[The estimates of level of attrition is based on broad economic outlook, type of sector the Company operates in and measures taken by the management to retain/ relieve the employees]						
<b>I The categories of plan assets as a % of total plan assets are:</b>						
Insurance plan	0%	100%	100%	0%	100%	100%

The expected contributions for Defined Benefit Plan for the next financial year will be ₹ 23 Millions [Previous year: ₹ 20 Millions]. The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6.61 years [as at March 31, 2023: 6.80 years].

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 21 - Provisions: (Contd...)

#### Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is shown below:

₹ in Millions

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31					
	2024	2023	2024	2023	2024	2023
<b>Impact on obligation:</b>						
Discount rate increase by 0.5%	(2)	(1)	(7)	(4)	(8)	(6)
Discount rate decrease by 0.5%	2	1	6	4	8	6
Annual salary cost increase by 0.5%	0	1	6	4	5	5
Annual salary cost decrease by 0.5%	(0)	(1)	(7)	(4)	(6)	(4)
Withdrawal rate increase by 10%	(1)	(0)	(4)	(1)	(1)	(0)
Withdrawal rate decrease by 10%	1	0	3	1	1	0

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

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Within the next 12 months [next annual reporting period]	86	80
Between 2 and 5 years	221	183
Between 6 and 10 years	175	169
<b>Total expected payments</b>	<b>482</b>	<b>432</b>

#### [\*] Liabilities recognised in the Balance Sheet

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current	159	133
Current [Refer Note 27]	56	45

#### Note: 22 - Other non-current liabilities:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred revenue government grants	7	-
<b>Total</b>	<b>7</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 23 - Borrowings:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand:		
Working Capital Loans from banks [Unsecured] [*]	1,500	-
Loans from related party [Unsecured] [**]	1,740	2,300
Current Maturities of long term debt from related party [Unsecured] [**]	-	625
<b>Total</b>	<b>3,240</b>	<b>2,925</b>
[*] The loans are repayable within a period of 1 year along with applicable of interest.		
[**] <b>Terms of repayment of Unsecured Borrowing:</b>		
The loans from fellow subsidiary company are payable within the period of one year along with applicable of interest.		
<b>Name of the party and relationship with the party from whom received:</b>		
Fellow Subsidiary Company:		
a Zydus Healthcare Limited	1,740	2,925
	<b>1,740</b>	<b>2,925</b>

### Note: 24 -Trade payables:

₹ in Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Dues to Micro and Small Enterprises	316	168
Dues to other than Micro and Small Enterprises	3,313	2,965
<b>Total</b>	<b>3,629</b>	<b>3,133</b>

#### Ageing of Trade payables :

##### [A] As at March 31, 2024

₹ in Millions

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Micro and Small Enterprises [MSME]	315	1	-	-	-	316
Undisputed Others	2,460	831	17	2	3	3,313
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
<b>Total</b>	<b>2,775</b>	<b>832</b>	<b>17</b>	<b>2</b>	<b>3</b>	<b>3,629</b>

##### [B] As at March 31, 2023

₹ in Millions

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Micro and Small Enterprises [MSME]	168	-	-	-	-	168
Undisputed Others	2,016	944	2	2	1	2,965
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
<b>Total</b>	<b>2,184</b>	<b>944</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3,133</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 25 - Other financial liabilities:

₹ in Millions		
Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings [*]	29	30
Payable to employees	129	156
Unpaid dividends [**]	4	5
<b>Total</b>	<b>162</b>	<b>191</b>
[*] Details of interest accrued but not due on borrowings to Related Parties are as under:		
Fellow Subsidiary Company		
a Zydus Healthcare Limited	29	30
	<b>29</b>	<b>30</b>
[**] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		

### Note : 26 - Other current liabilities:

₹ in Millions		
Particulars	As at March 31, 2024	As at March 31, 2023
Payable to statutory authorities	285	315
Deferred revenue government grants	4	3
Advances from customers	72	68
<b>Total</b>	<b>361</b>	<b>386</b>

### Note: 27 - Provisions:

₹ in Millions		
Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits [*]	56	45
Provision for claims for product expiry and return of goods [**]	231	231
<b>Total</b>	<b>287</b>	<b>276</b>
[*] Refer note 21		
[**] Provision for claims for product expiry and return of goods:		
a. Provision for product expiry claims in respect of products sold during the year is made based on the management's estimates considering the estimated stock lying with retailer. The Group does not expect such claims to be reimbursed by any other party in future.		
b. The movement in such provision is stated as under:		
Opening balance at the beginning of the financial year	231	182
Add: Provision created during the year	370	555
Less: Provision used during the year	(370)	(506)
Closing balance at the end of the financial year	<b>231</b>	<b>231</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 28 - Contingent liabilities and commitments [to the extent not provided for]:

		₹ in Millions	
Particulars		As at March 31, 2024	As at March 31, 2023
<b>A Contingent liabilities:</b>			
a	Other money for which the Group is contingently liable: [*]		
i	In respect of Sales Tax and VAT matters pending before appellate authorities/ court which the Group expects to succeed, based on decisions of Tribunals/ Courts	975	1,038
	- Net of advance of	138	136
ii	In respect of the demands raised by the Central Excise, State Excise & Service Tax Authority	128	130
	- Net of advance of	12	11
iii	In respect of Income Tax matters pending before appellate authorities which the Group expects to succeed, based on decisions of Tribunals/ Courts	1,764	2,078
	- Net of advance of	183	183
iv	In respect of Stamp Duty and other matters	203	203
	- Net of advance of	4	4
<p>[*] The Group has signed tax indemnity with erstwhile seller shareholder of acquired Heinz India Private Limited that purchasing buyer shall have the rights to make a tax indemnity claim to extent of the loss suffered by the Company for the period prior to acquisition. Of the above ₹ 2,734 Millions (Net of advance of ₹ 310 Millions) and ₹ 3,167 Millions (Net of advance of ₹ 303 Millions) as at March 31, 2024 and March 31, 2023, respectively, is covered under agreed tax indemnity clause and reimbursable from erstwhile shareholder of the Heinz India Private Limited on the amount being crystalized.</p>			
<b>B Commitments:</b>			
	Estimated amount of contracts remaining to be executed on capital account and not provided for	59	184
	- Net of advance of	8	28

### Note: 29 - Dividends proposed to be distributed:

The Board of Directors of the Parent, at their meeting held on May 14, 2024, recommended the final dividend of ₹ 5 per equity share of ₹ 10/- each. The recommended dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 30 - Revenue from operations:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	23,152	22,426
Other operating revenues:		
Miscellaneous income	126	122
<b>Total</b>	<b>23,278</b>	<b>22,548</b>
<b>Pursuant to Ind AS 115 "Revenue from Contracts with Customers" reconciliation of revenue recognised in the statement of profit and loss with the contracted price is under:</b>		
Revenue as per contracted price, net of returns	24,792	24,053
Less:		
Provision for claims for product expiry and return of goods [net]	-	49
Discounts/ Price Reduction/ Rebates	1,640	1,578
	<b>1,640</b>	<b>1,627</b>
<b>Revenue from contract with customers</b>	<b>23,152</b>	<b>22,426</b>

### Note: 31 - Other income:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Finance income:		
Interest income on financial assets measured at amortised cost	110	32
Net gain on sale of investments	21	15
Gain on investments mandatorily measured at fair value through statement of profit and loss	4	1
Other non-operating income	4	1
<b>Total</b>	<b>139</b>	<b>49</b>

### Note: 32 - Changes in inventories:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Stock at commencement:		
Work-in-progress	1,149	954
Finished Goods	2,154	1,538
Stock-in-trade	151	277
	<b>3,454</b>	<b>2,769</b>
Less: Stock at close:		
Work-in-progress	1,527	1,149
Finished Goods	1,851	2,154
Stock-in-trade	171	151
	<b>3,549</b>	<b>3,454</b>
<b>Total</b>	<b>(95)</b>	<b>(685)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 33 - Employee benefits expense:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	1,766	1,540
Contribution to provident and other funds [*]	120	80
Staff welfare expenses	48	53
<b>Total</b>	<b>1,934</b>	<b>1,673</b>
Above expenses include:		
Research related expenses:		
Salaries and wages	25	56
Contribution to provident and other funds	1	4
Staff welfare expenses	1	2
<b>Total</b>	<b>27</b>	<b>62</b>
Whole-time Director's Remuneration	71	58

### Note: 34 - Finance cost:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense [*]	237	158
Bank commission and charges	3	3
<b>Total</b>	<b>240</b>	<b>161</b>
[*] Interest expenses includes:		
On term loans	1	82
On working capital loans	229	68
On lease liabilities	6	6
On others	1	2
<b>Total</b>	<b>237</b>	<b>158</b>

### Note: 35 - Other expenses:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spare parts	77	70
Power and fuel	415	433
Labour charges	396	342
Rent	90	62
Repairs to buildings	12	12
Repairs to plant and machinery	49	44
Repairs to others	94	77
Insurance	76	71
Rates and taxes [excluding taxes on income]	97	124
Traveling expenses	134	98
Legal and professional fees [*]	299	110
Commission on sales	234	201

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 35 - Other expenses: (Contd...)

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Freight and forwarding on sales	849	806
Advertisement and sales promotions	2,988	2,587
Representative allowances	125	74
Other marketing expenses	679	669
Directors' fees	6	7
Commission to independent directors	2	2
Allowances of credit losses		
Trade receivables written off	3	-
Expected credit loss	7	-
	10	-
Less: Transferred from expected credit loss	-	-
	10	-
Net Loss on disposal of Property, plant and equipment	-	1
Miscellaneous expenses	247	251
<b>Total</b>	<b>6,879</b>	<b>6,041</b>
Above expenses include Research related expenses as follows:		
Consumption of Stores and spare parts	1	-
Miscellaneous Expenses	20	22
<b>Total</b>	<b>21</b>	<b>22</b>

### Note: 36 - Exceptional items:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Exceptional items comprise:		
A. As a part of manufacturing and supply chain network optimisation and to make manufacturing operations leaner and agile to the consumer needs, the Group had conducted a strategic review of its manufacturing footprint. In view of the same, the Board of Directors of Zydus Wellness Products Limited (ZWPL), a wholly owned subsidiary company of the Group, at their meeting held on June 17, 2022, passed a resolution to cease the operations of Sitarganj manufacturing facility. The expenses incurred so far in connection with the cessation of Sitarganj facility have been classified as Exceptional items.	177	101
B. ZWPL has sold its assets located at Rabale, Mumbai which were classified as "Assets held for sale" from Property, Plant and Equipment in the previous financial year (as per Ind AS 105), the corresponding gain have been recognized as Exceptional items.	(35)	-
<b>Total</b>	<b>142</b>	<b>101</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 37 - Tax expense:

The major components of income tax expense are:

Particulars	₹ in Millions	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Statement of profit and loss:</b>		
<b>Profit or loss section:</b>		
<b>Current income tax:</b>		
Current income tax charge	6	-
Adjustments in respect of current income tax of previous year	(4)	-
	<b>2</b>	<b>-</b>
<b>Deferred Tax:</b>		
Deferred tax asset relating to origination and reversal of temporary differences	(70)	(195)
<b>Total reported in the Statement of Profit or Loss</b>	<b>(68)</b>	<b>(195)</b>
<b>OCI Section:</b>		
Tax related to items recognised in OCI during the year:		
Net loss on remeasurements of defined benefit plans	-	-
<b>Tax charged to OCI</b>	<b>-</b>	<b>-</b>
Current tax	2	-
Deferred tax	(70)	(195)
<b>Total reported in the Statement of Profit and Loss</b>	<b>(68)</b>	<b>(195)</b>
<b>B. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:</b>		
Profit before tax:	2,601	2,909
Enacted Tax Rate in India (%)	25.17%	34.94%
<b>Expected Tax Expenses</b>	<b>655</b>	<b>1,017</b>
Adjustments for:		
Effect of Non-taxable Income	(8)	(2)
Utilisation of previously unrecognised tax losses	-	-
Effect of differences in tax rate in standalone and consolidated	(34)	(76)
Effect of unrecognised deferred tax assets/ liabilities	(673)	(1,083)
Effect of other non-deductible expenses	(3)	(3)
Others [including prior period tax adjustments]	(5)	(48)
<b>Tax expense as per Profit or Loss</b>	<b>(68)</b>	<b>(195)</b>

### Note: 38 - Calculation of Earnings per equity share [EPS]:

Particulars	₹ in Millions		
	Year ended March 31, 2024	Year ended March 31, 2023	
A. The numerators and denominators used to calculate the basic and diluted EPS after exceptional items are as follows:			
i Profit attributable to Shareholders	₹- in Millions	2,669	3,104
ii Basic and weighted average number of Equity Shares outstanding during the period	Numbers	63,632,144	63,632,144
iii Nominal value of equity share	₹	10	10
iv Basic & diluted Earnings per equity share items [EPS]	₹	41.94	48.78
B. The numerators and denominators used to calculate the basic and diluted EPS before exceptional items are as follows:			
i Profit before exceptional items attributable to Shareholders	₹- in Millions	2,811	3,205
ii Basic and weighted average number of Equity Shares outstanding during the period	Numbers	63,632,144	63,632,144
iii Nominal value of equity share	₹	10	10
iv Basic & diluted Earnings per equity share items [EPS]	₹	44.18	50.36

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 39 - Segment Reporting:

The Chief Operating Decision Maker [CODM] reviews the Group as a single “Consumer” segment. The Group operates in one segment only, namely “Consumer Products.” The Group also exports its products to other countries. However the value being below threshold limit as prescribed under Ind AS provisions of “Segment Reporting”, the reporting is not required.

### Note: 40 - Related Party Transactions:

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

<b>a</b>	<b>Entity having control over Holding Company :</b> Zydus Family Trust	
<b>b</b>	<b>Holding Company:</b> Zydus Lifesciences Limited	
<b>c</b>	<b>Fellow Subsidiaries/ Concerns:</b>	
	Zydus Healthcare Limited	Nesher Pharmaceuticals (USA) LLC [USA]
	German Remedies Pharmaceuticals Private Limited	ZyVet Animal Health Inc. [USA]
	Zydus Animal Health and Investments Limited	Zydus Healthcare (USA) LLC [USA]
	Dialforhealth Unity Limited	Sentynl Therapeutics Inc. [USA]
	Dialforhealth Greencross Limited	Zydus Novelttech Inc. [USA] [dissolved on December 15, 2023]
	Violio Healthcare Limited	Hercon Pharmaceuticals LLC [USA] [dissolved on May 24, 2023]
	Zydus Pharmaceuticals Limited	Viona Pharmaceuticals Inc. [USA]
	Biochem Pharmaceutical Private Limited	Zydus Therapeutics Inc. [ZTI] [USA]
	Zydus Strategic Investments Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]
	Zydus VTEC Limited	Alidac Pharmaceuticals SA Pty. Ltd. [South Africa] [Formerly known as Simayla Pharmaceuticals (Pty) Ltd]
	Zydus Foundation *	Script Management Services (Pty) Ltd [South Africa]
	Recon Pharmaceuticals and Investments, a Partnership Firm	Zydus France, SAS [France]
	Zydus International Private Limited [Ireland]	Laboratorios Combix S.L. [Spain]
	Zydus Netherlands B.V. [the Netherlands]	Etna Biotech S.R.L. [Italy]
	Zydus Lanka (Private) Limited [Sri Lanka]	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
	Zydus Nikkho Farmaceutica Ltda. [Brazil]	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
	Alidac Healthcare (Myanmar) Limited [Myanmar]	Zydus Worldwide DMCC [Dubai]
	Zydus Healthcare Philippines Inc. [Philippines]	Zydus Pharmaceuticals UK Ltd., [UK]
	Zydus Pharmaceuticals (USA) Inc. [USA]	Zynext Ventures Pte. Ltd., [Singapore]
	Zynext Ventures USA LLC, [USA]	LM Manufacturing India Private Limited
	Zydus Lifesciences Global FZE [UAE]	LM Manufacturing Limited [UK]
	LiqMeds Worldwide Limited [UK]	Medsolutions (Europe) Limited [UK]
	LiqMeds Limited [UK]	Zydus Pharmaceuticals (Canada) Inc. [Canada]
	LiqMeds Lifecare Limited [UK]	
<b>d</b>	<b>Directors</b>	
	Dr. Sharvil P. Patel	Non-Executive Chairman
	Mr. Ganesh N. Nayak	Non-Executive Director
	Mr. Kulin S. Lalbhai	Independent Director
	Mr. Savyasachi S. Sengupta	Independent Director upto November 01, 2023
	Mr. Akhil A. Monappa	Independent Director w.e.f. May 17, 2023
	Mr. Srivishnu R. Nandyala	Independent Director
	Ms. Dharmishtaben N. Raval	Independent Director
	Mr. Ashish P. Bhargava	Nominee Director
<b>e</b>	<b>Key Managerial Personnel [KMPs]:</b>	
	Mr. Tarun Arora	Chief Executive Officer [CEO] & Whole Time Director
	Mr. Umesh V. Parikh	Chief Financial Officer
	Mr. Nandish P. Joshi	Company Secretary w.e.f. July 29, 2022
	Mr. Dhanraj P. Dagar	Company Secretary upto May 9, 2022

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 40 - Related Party Transactions: (Contd...)

<b>f</b>	<b>Enterprises significantly influenced by Directors and/ or their relatives of Holding Company with whom transactions have taken place:</b>	
	Mukesh M. Patel & Co.	
<b>g</b>	<b>Enterprises significantly influenced by Directors and/ or their relatives of the Company:</b>	
	Cadmach Machinery Company Private Limited	
	Zydus Hospitals and Healthcare Research Private Limited	
<b>h</b>	<b>Post Employment Benefits Plan-</b>	
	Zydus Wellness Limited Employee Group Gratuity Scheme	Heinz India Private Limited Employee Provident Fund
	Zydus Wellness Sikkim Employee Group Gratuity Scheme	Heinz India Private Limited Gratuity fund
	Heinz India Private Limited Provident Fund	Heinz India Private Limited Pension fund

\* Zydus Foundation is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over their profits to its members.

### B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business:

#### a Details relating to parties referred to in Note 40 - A [a, b, c and h]

₹ in Millions

Nature of Transactions	Value of the Transactions					
	Holding Company/ Entity having control over Holding Company		Fellow Subsidiaries/ concerns		Post Employment Benefits Plan	
	Year ended March 31					
	2024	2023	2024	2023	2024	2023
<b>Sales:</b>						
<b>Goods:</b>						
Zydus Lifesciences Limited	20	5	-	-	-	-
Zydus Healthcare Limited	-	-	116	83	-	-
<b>Service:</b>						
Zydus Lifesciences Limited [₹ 171,700 (Previous Year: ₹ 91,514)]	0	0	-	-	-	-
Zydus Healthcare Limited	-	-	22	12	-	-
<b>Reimbursement of Expenses Recovered:</b>						
Zydus Lifesciences Limited	42	-	-	-	-	-
<b>Purchase:</b>						
<b>Goods:</b>						
Zydus Lifesciences Limited [Previous Year: ₹ 248,000]	-	0	-	-	-	-
Zydus Healthcare Limited	-	-	1	-	-	-
<b>Services:</b>						
Zydus Lifesciences Limited	25	21	-	-	-	-
Zydus Healthcare Limited	-	-	15	15	-	-
<b>Property, Plant and Equipment:</b>						
Zydus Lifesciences Limited [Previous Year: ₹ 100,000]	-	0	-	-	-	-
Zydus Healthcare Limited	-	-	1	-	-	-
<b>Reimbursement of Expenses:</b>						
Zydus Lifesciences Limited	13	10	-	-	-	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 40 - Related Party Transactions: (Contd...)

₹ in Millions

Nature of Transactions	Value of the Transactions					
	Holding Company/ Entity having control over Holding Company		Fellow Subsidiaries/ concerns		Post Employment Benefits Plan	
	Year ended March 31					
	2024	2023	2024	2023	2024	2023
<b>Finance:</b>						
<b>Interest Expenses:</b>						
Zydus Healthcare Limited	-	-	149	139	-	-
<b>Inter Corporate Loan accepted:</b>						
Zydus Healthcare Limited	-	-	590	2,670	-	-
<b>Inter Corporate Loan repaid to:</b>						
Zydus Healthcare Limited	-	-	1,775	3,100	-	-
<b>Contributions during the year (includes Employee's share and contribution):</b>						
Zydus Wellness Limited Employee Group Gratuity Scheme	-	-	-	-	4	6
Zydus Wellness Sikkim Employee Group Gratuity Scheme	-	-	-	-	9	4
Heinz India Private Limited Provident Fund	-	-	-	-	23	27
Heinz India Private Limited Employee Provident Fund	-	-	-	-	32	32
Heinz India Private Limited Pension fund	-	-	-	-	4	5
<b>Dividend Paid:</b>						
Zydus Lifesciences Limited	183	183	-	-	-	-
Zydus Family Trust	30	24	-	-	-	-

₹ in Millions

Nature of Transactions	Value of the Transactions					
	Holding Company/ Entity having control over Holding Company		Fellow Subsidiaries/ concerns		Post Employment Benefits Plan	
	As at March 31					
	2024	2023	2024	2023	2024	2023
<b>Outstanding Payable:</b>						
Zydus Lifesciences Limited	53	45	-	-	-	-
Zydus Healthcare Limited	-	-	1,751	2,927	-	-

#### b Details relating to persons referred to in Note 40-A [d] and [e] above:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Salaries and other employee benefits to Whole time directors and KMPs	88	74
(ii) Commission and Sitting Fees to Non Executive/ Independent Directors	8	9
(iii) Outstanding payable to above (i) and (ii)	6	7

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 40 - Related Party Transactions: (Contd...)

#### c Details relating to persons referred to in Note 40-A [f] and [g] above:

₹ in Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Purchase of services	3	3
(ii) Purchase of goods [₹ 73,542 (Previous Year: ₹ 251,976)]	0	0
(iii) Outstanding payable to above (c) [₹ 25,000]	0	-

### Note: 41 - Financial instruments:

#### (i) Fair values hierarchy:

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

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data relying as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (ii) Financial assets and liabilities measured at fair value - recurring fair value measurements:

₹ in Millions

Particulars	As at March 31, 2024				As at March 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Investments at FVTPL								
Mutual funds	769	-	-	769	700	-	-	700
<b>Total</b>	<b>769</b>	<b>-</b>	<b>-</b>	<b>769</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>700</b>

#### (iii) Fair value of instruments measured at amortised cost:

Financial assets and liabilities measured at amortised cost for which fair values are disclosed.

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

Financial Liabilities: The carrying amounts of loans, other financial liabilities and trade payables are considered to be approximately equal to the fair values.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 42 - Financial risk management:

#### (i) Financial instruments by category:

₹ in Millions

Particulars	As at March 31, 2024				As at March 31, 2023			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
<b>Financial assets</b>								
Investments	769	-	7	<b>776</b>	700	-	-	<b>700</b>
Trade receivables	-	-	2,833	<b>2,833</b>	-	-	2,078	<b>2,078</b>
Cash and Cash equivalents	-	-	800	<b>800</b>	-	-	370	<b>370</b>
Bank balance other than cash and cash equivalents	-	-	1,595	<b>1,595</b>	-	-	11	<b>11</b>
Loans	-	-	16	<b>16</b>	-	-	24	<b>24</b>
Other financial assets	-	-	350	<b>350</b>	-	-	292	<b>292</b>
<b>Total</b>	<b>769</b>	<b>-</b>	<b>5,601</b>	<b>6,370</b>	<b>700</b>	<b>-</b>	<b>2,775</b>	<b>3,475</b>
<b>Financial liabilities</b>								
Borrowings	-	-	3,240	<b>3,240</b>	-	-	2,925	<b>2,925</b>
Lease liabilities	-	-	47	<b>47</b>	-	-	48	<b>48</b>
Trade payables	-	-	3,629	<b>3,629</b>	-	-	3,133	<b>3,133</b>
Other financial liabilities	-	-	179	<b>179</b>	-	-	204	<b>204</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,095</b>	<b>7,095</b>	<b>-</b>	<b>-</b>	<b>6,310</b>	<b>6,310</b>

#### (ii) Risk Management:

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Group's risk management is managed in close co-ordination with the board of directors and focuses on actively securing the Group's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below:

##### A. Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk from trade receivables, bank deposits and other financial assets. The Group periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

- i Investments at Amortised Cost : They are investments in the normal course of business of the company.
- ii Bank deposits : The Group maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks Hence, there is no significant credit risk on such deposits.
- iii Trade Receivable: The Group trades with recognized and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.
- iv There are no significant credit risks with related parties of the Group. The Group is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base. Adequate expected credit losses are recognized as per the assessments. No single third party customer contributes to more than 10% of outstanding accounts receivable [excluding outstanding from subsidiaries] as at March 31, 2024 and March 31, 2023.

The Company has used expected credit loss [ECL] model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 42 - Financial risk management: (Contd...)

Financial assets for which loss allowances is measured using the expected credit loss:

₹ in Millions

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>Trade Receivables:</b>		
Less than 180 days	2,786	2,050
180 - 365 days	47	28
<b>Total</b>	<b>2,833</b>	<b>2,078</b>

Movement in the expected credit loss allowance on trade receivables:

₹ in Millions

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	16	16
Addition	7	-
<b>Balance at the end of the year</b>	<b>23</b>	<b>16</b>

Other than trade receivables, the Group has no significant class of financial assets that is past due but not impaired.

### B Liquidity risk:

- Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.
- Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which its operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Maturities of financial liabilities :

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹ in Millions

Particulars	As at March 31, 2024				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings [including interest accrued but not due]	3,319	-	-	-	<b>3,319</b>
Lease liabilities	20	21	10	6	<b>57</b>
Trade payables	3,629	-	-	-	<b>3,629</b>
Other financial liabilities [excluding interest accrued but not due]	162	-	-	17	<b>179</b>
<b>Total</b>	<b>7,130</b>	<b>21</b>	<b>10</b>	<b>23</b>	<b>7,184</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 42 - Financial risk management: (Contd...)

₹ in Millions

Particulars	As at March 31, 2023				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings [including interest accrued but not due]	3,047	-	-	-	<b>3,047</b>
Lease liabilities	17	17	16	6	<b>56</b>
Trade payables	3,133	-	-	-	<b>3,133</b>
Other financial liabilities [excluding interest accrued but not due]	191	-	-	13	<b>204</b>
<b>Total</b>	<b>6,388</b>	<b>17</b>	<b>16</b>	<b>19</b>	<b>6,440</b>

#### C Foreign currency risk

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

##### a Foreign currency risk exposure:

The Groups exposure to foreign currency risk at the end of the reporting period is expressed as follows:

₹ in Millions

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>Exposure of USD</b>		
<b>Financial assets:</b>		
Trade receivable	13	8
<b>Total exposure to foreign currency risk [assets]</b>	<b>13</b>	<b>8</b>
<b>Financial liabilities:</b>		
Trade payable	3	3
<b>Total exposure to foreign currency risk [liabilities]</b>	<b>3</b>	<b>3</b>
<b>Net exposure to foreign currency risk [assets]</b>	<b>10</b>	<b>5</b>
<b>Exposure of Other Foreign Currency</b>		
<b>Financial assets:</b>		
Trade receivable	9	13
Cash and Cash equivalents	21	31
<b>Total exposure to foreign currency risk [assets]</b>	<b>30</b>	<b>44</b>
<b>Financial liabilities:</b>		
Trade payable	4	20
<b>Total exposure to foreign currency risk [liabilities]</b>	<b>4</b>	<b>20</b>
<b>Net exposure to foreign currency risk assets / [liabilities]</b>	<b>26</b>	<b>24</b>

#### Sensitivity

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

₹ in Millions

Particulars	As at March 31, 2024		As at March 31, 2023	
	Movement in Rate *	Impact on PAT	Movement in Rate *	Impact on PAT
USD	1.5%	0	8%	0
USD	(1.5%)	(0)	(8%)	(0)
Others	1%	0	6%	1
Others	(1%)	(0)	(6%)	(1)

\* Holding all other variables constant

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 42 - Financial risk management: (Contd...)

#### D Interest rate risk:

The Group's policy is to minimise interest rate cash flow risk exposures on financing. As at March 31, 2024, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits are at fixed interest rates.

#### Sensitivity:

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

Particulars	Movement in Rate *	₹ in Millions	
		As at March 31, 2024	As at March 31, 2023
Interest rates	0.50%	12	10
Interest rates	(0.50%)	(12)	(10)

\* Holding all other variables constant

#### E Price Risk

##### (a) Exposure

The Group's exposure to price risk arises from investments in equity and mutual funds held by the group and classified in the balance sheet as fair value through OCI and at fair value through profit or loss respectively, to manage its price risk arising from investments in equity securities and mutual funds, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

##### (b) Sensitivity- Mutual Fund:

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit and loss for the period. The analysis is based on the assumption that the price of the instrument has increased by 2% or decreased by 2% with all other variables held constant.

Particulars	Movement in Rate *	₹ in Millions	
		As at March 31, 2024	As at March 31, 2023
<b>Mutual Funds [Quoted]</b>			
Increase	+2%	12	9
Decrease	(2%)	(12)	(9)

\* Holding all other variables constant

### Note 43: Capital management:

The Group's capital management objectives are

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

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

Particulars		As at March 31, 2024	As at March 31, 2023
Gross debts	₹ in Millions	3,240	2,925
Total equity	₹ in Millions	53,575	51,226
Gross debt to equity ratio [No. of times]		0.06	0.06

#### Loan covenants:

As at March 31, 2024 and March 31, 2023, there are no covenant applicable to the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 44 - Group Information:

Consolidated Financial Statements as at March 31, 2024 comprise the Financial Statements [FS] of Zydus Wellness Limited and its subsidiaries, which are as under:

Name	Principal activities	Country of incorporation	Status of FS at March 31, 2024	% Share of Interest As at March 31	
				2024	2023
Liva Investment Limited	Investment	India	Audited	100%	100%
Liva Nutritions Limited	Consumer Health & Wellness	India	Audited	100%	100%
Zydus Wellness Products Limited	Consumer Health & Wellness	India	Audited	100%	100%
Zydus Wellness International DMCC [Dubai]	Consumer Health & Wellness	U.A.E.	Audited	100%	100%
Zydus Wellness (BD) Pvt Limited [Bangladesh]	Consumer Health & Wellness	Bangladesh	Audited	100%	100%

### Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Particulars	Net Assets i.e. total assets minus total liabilities		Share in Profit / [Loss]		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of Consolidated Net Assets	₹ in Millions	As % of Consolidated Profit / [Loss]	₹ in Millions	As % of Consolidated other Comprehensive income	₹ in Millions	As % of total Comprehensive income	₹ in Millions
<b>Parent:</b>								
Zydus Wellness Limited	75%	40,359	13%	337	150%	(3)	13%	334
<b>Subsidiaries:</b>								
<b>Indian:</b>								
Zydus Wellness Products Limited	47%	25,347	(33%)	(891)	(150%)	3	(33%)	(888)
Liva Investment Limited	0%	2	0%	-	0%	-	0%	-
Liva Nutritions Limited	0%	24	0%	-	0%	-	0%	-
<b>Foreign:</b>								
Zydus Wellness International DMCC [Dubai]	0%	(89)	(3%)	(69)	0%	-	(3%)	(69)
Zydus Wellness (BD) Pvt Limited [Bangladesh]	0%	17	0%	(7)	0%	-	0%	(7)
<b>Total Eliminations/ Consolidation Adjustments</b>	(23%)	(12,085)	124%	3,299	100%	(2)	124%	3,299
<b>Total</b>	<b>100%</b>	<b>53,575</b>	<b>100%</b>	<b>2,669</b>	<b>100%</b>	<b>(2)</b>	<b>100%</b>	<b>2,667</b>

### Note: 45 - Leases:

#### Lessee:

#### A Relating to statement of financial position:

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all risk and rewards of ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right to use assets and lease liabilities for most leases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 45 - Leases: (Contd...)

Right of use assets are part of financial statement caption "Property plant and equipment". Depreciation and impairment is similar to measurement of owned assets. Interest is part of financial statement caption "Finance cost".

	₹ in Millions		
Right of use assets	Leasehold Land	Building	Total
<b>Balance as at April 1, 2022 [net]</b>	<b>148</b>	<b>57</b>	<b>205</b>
Depreciation charge for the year	(2)	(14)	(16)
<b>Balance as at March 31, 2023 [net]</b>	<b>146</b>	<b>43</b>	<b>189</b>
Additions during the year	-	14	14
Asset classified as held for sale [Refer Note- 3 (A)]	(94)	-	(94)
Depreciation charge for the year	(2)	(15)	(17)
<b>Balance as at March 31, 2024 [net]</b>	<b>50</b>	<b>42</b>	<b>92</b>

The Group has paid the upfront Lease premium at the time of execution of lease deed and does not owe any lease obligations under this leasehold land arrangement.

#### The Company leases assets include office buildings.

##### Movement in lease liabilities:

	₹ in Millions	
Lease liabilities	As at March 31, 2024	As at March 31, 2023
<b>Balance at the beginning of the year</b>	48	59
Additions	14	-
Redemptions	(15)	(11)
<b>Balance at the end of the year</b>	<b>47</b>	<b>48</b>
of which:		
Non-current portions	32	35
Current portions	15	13

##### Maturity analysis of lease liabilities:

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows

	₹ in Millions	
Minimum lease payments due	As at March 31, 2024	As at March 31, 2023
Within 1 years	20	17
1-5 years	37	39
<b>Total</b>	<b>57</b>	<b>56</b>

### Note: 46: Disclosure of Transaction with Struck Off Companies

The Group has not entered into any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 47:

- [a] The Parent and Indian Subsidiaries have 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. The group, as a part of its treasury operations, invests/ advances loans to fund the operations of its subsidiaries which have further utilized these funds for their general corporate purposes/ working capital, etc. within the consolidated group and in the ordinary course of business. These transactions are done on an arms' length basis following a due approval process.
- [b] The Parent and Indian Subsidiaries have 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 it shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- [c] The Parent and Indian Subsidiaries have used accounting software for maintaining its books of account for the year ended on March 31, 2024 which has a feature of recording audit trail [edit log] facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail is enabled at the database level for accounting software SAP S/4 HANA to maintain log for any direct data changes. The Parent and Indian Subsidiaries are in process of implementing the audit trail at the database level.

### Note: 48:

Figures of previous reporting periods/ year have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting periods.

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#### Signatures to Material Accounting Policies and Notes 1 to 48 to the Consolidated Financial Statements

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As per our report of even date

For Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration Number: 106625W

For and on behalf of the Board

#### **Mukesh M. Shah**

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 14, 2024

#### **Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 14, 2024

#### **Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 14, 2024

#### **Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Date: May 14, 2024

#### **Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 14, 2024

**Form AOC -1****Statement containing the salient features of the financial statements of Subsidiaries/ Associates/ Joint Ventures**

[Pursuant to first proviso to sub-section (3) of Section 129 of read with rule 5 of the Companies (Accounts) Rules, 2015]

**Part: "A" - Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr No.	Name of the Subsidiary	Date of incorporation/ acquisition	Reporting Year Ended	Reporting Currency	Exchange Rate	₹ in Millions								% of Shareholding		
						Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than Investments in Subsidiaries	Turnover & Other income from operations *	Profit/ [Loss] before Taxation *	Provision for Taxation *		Profit/ [Loss] after Taxation *	Proposed Dividend
1	Zydus Wellness Products Limited	February 28, 2019	March 31, 2024	₹	1	2,188	23,159	38,743	13,396	728	22,892	(1,650)	759	(891)	-	100.00%
2	Liva Nutritions Limited	December 21, 2018	March 31, 2024	₹	1	31	(7)	24	0	-	-	(0)	(0)	(0)	-	100.00%
3	Liva Investment Limited	December 24, 2018	March 31, 2024	₹	1	3	(1)	2	0	-	0	0	-	0	-	100.00%
4	Zydus Wellness International DMCC [Dubai]	May 28, 2019	March 31, 2024	USD	83.43	6	(95)	303	392	-	578	(69)	-	(69)	-	100.00%
5	Zydus Wellness (BD) Pvt Limited [Bangladesh]	November 18, 2021	March 31, 2024	BDT	0.78	28	(11)	33	16	-	90	(7)	(1)	(8)	-	100.00%

\* Converted using average exchange rates prevailing during the year.

For and on behalf of the Board

**Dr. Sharvil P. Patel**Chairman  
DIN: 00131995  
Place: Mumbai  
Date: May 14, 2024**Tarun Arora**CEO & Whole Time Director  
DIN: 07185311  
Place: Ahmedabad  
Date: May 14, 2024**Umesh V. Parikh**Chief Financial Officer  
Place: Ahmedabad  
Date: May 14, 2024**Nandish P. Joshi**Company Secretary  
Membership Number: A39036  
Place: Ahmedabad  
Date: May 14, 2024

# NOTICE

## ZYDUS WELLNESS LIMITED

(CIN: L15201GJ1994PLC023490)

**Registered Office:** Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar),  
Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad-382481

**Website:** [www.zyduswellness.com](http://www.zyduswellness.com); **E-mail ID:** [investor.grievance@zyduswellness.com](mailto:investor.grievance@zyduswellness.com)

**Phone No.:** +91-79-71800000; +91-79-48040000

**Notice** is hereby given that the Thirtieth Annual General Meeting (“**AGM**”) of the members of Zydus Wellness Limited (“the **Company**”) will be held on Friday, August 2, 2024 at 10:00 a.m. (IST) through Video Conference (“**VC**”) / Other Audio Visual Means (“**OAVM**”). The venue of the AGM shall be deemed to be the Registered Office of the Company. The following businesses will be transacted at the AGM:

### ORDINARY BUSINESS:

- To receive, consider and adopt the 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.
- To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the year ended on March 31, 2024 and the Report of the Auditors thereon.
- To declare dividend of ₹ 5/- per equity share of ₹ 10/- each for the Financial Year ended on March 31, 2024.
- To consider re-appointment of Mr. Tarun Arora (DIN: 07185311), as a Chief Executive Officer & Whole Time Director, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

- To re-appoint Mr. Tarun Arora (DIN: 07185311) as a Chief Executive Officer & Whole Time Director for a period of 5 (five) years:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of sections 2(51), 2(94), 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the **Act**”) and rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“the **SEBI Listing Regulations**”) (including any statutory modifications or re-enactments thereof, for the time being in force), Articles of Association of the Company, Nomination and Remuneration Policy of the Company and based on the recommendation of the Nomination and Remuneration Committee (“**NRC**”) and the Board of Directors (“the **Board**”), consent of the Members of

the Company be and is hereby accorded to re-appoint Mr. Tarun Arora (DIN: 07185311) as a Chief Executive Officer & Whole Time Director (“**CEO & WTD**”) of the Company for a further period of 5 (five) years with effect from May 7, 2025 to May 6, 2030, liable to retire by rotation, in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of CEO & WTD of the Company on payment of salary and perquisites (herein after referred to as “**remuneration**”) of ₹ 13.60 millions (Rupees Thirteen millions Six Hundred Thousand only) for the Financial Year ending on March 31, 2025 and thereafter remuneration shall be based on his performance evaluation, as may be recommended by the NRC and approved by the Board, which shall be within the overall limits prescribed under the provisions of the Act and out of the profits of the Company of the respective financial year as calculated under the provisions of section 198 of the Act and on the terms and conditions, benefits and perquisites, as set out in the agreement proposed to be entered into between the Company and Mr. Tarun Arora, with an authority to the Board to finalize and execute it.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary contained hereinabove, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites shall not exceed the aggregate of the annual remuneration as provided above or maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Act, whichever is lower, as the minimum remuneration, unless otherwise determined by the NRC and the Board.

**RESOLVED FURTHER THAT** in case of no profits or if profits of the Company in any financial year is inadequate, in addition to the above, Mr. Tarun Arora shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration stated hereinabove:

- Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961,
- Gratuity payable at the rate not exceeding half a month's salary for each completed years of service and
- Encashment of leave at the end of the tenure.

**RESOLVED FURTHER THAT** pursuant to the provisions of Schedule V of the Act, Mr. Tarun Arora, who is also the Whole Time Director of Zydus Wellness Products Limited (“ZWPL”), a wholly owned subsidiary Company, shall be entitled to receive / draw remuneration from ZWPL, provided that the total remuneration received / drawn from the Company and ZWPL shall not exceed the higher of maximum limit admissible under the Act.

**RESOLVED FURTHER THAT** the terms and conditions of re-appointment of Mr. Tarun Arora, including remuneration shall be governed as per the agreement to be entered with him.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company.”

**6. To approve continuation of Mr. Ashish P. Bhargava (DIN: 02574919) as a Nominee Director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of sections 152 and 161(3) read with other applicable provisions, if any, of The Companies Act, 2013 (“the **Act**”), The Companies (Appointment and Qualification of Directors) Rules, 2014, regulation 17(1D) of the SEBI (Listing Obligations and Disclosure Requirements) (the “**the Listing Regulations**”) (including any statutory modifications or re-enactments thereof, for the time being in force), Article no. 71A of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee (“**NRC**”) and the Board of Directors (“the **Board**”), consent of the members of the Company be and is hereby accorded for continuation of Mr. Ashish P. Bhargava (DIN: 02574919) as a Non-Executive Nominee Director (nominee of Threpsi Care LLP), not liable to retire by rotation, who was appointed as a Non-Executive Nominee Director w.e.f. January 30, 2019, based on the recommendation of the NRC and approval of the Board and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Non-Executive Nominee Director of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company.”

**7. To approve Commission payable to the Non-Executive Directors:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 197 and all other applicable provisions if any, of the Companies Act, 2013 (“the **Act**”) and Rules made thereunder, regulation 17(6)(a) and other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**the Listing Regulations**”) (including any statutory modifications or re-enactments thereof, for the time being in force), Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee (“**NRC**”) and the Board of Directors (“the **Board**”), the approval of the Members of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors (other than Managing Director and Whole-time Director) of the Company, for a period of five years commencing from April 1, 2024 to March 31, 2029, at the amount / rate as may be recommended by the NRC and approved by the Board from time to time, within the maximum limit of 1.0% (one percent) of net profits of the Company and subject to maximum ₹ 15 millions (Rupees Fifteen millions only) in aggregate for each financial year, computed in accordance with the provisions of section 198 of the Act or such other limit as may be specified in the Act from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company.”

**8. To ratify remuneration of Cost Auditors:**

To consider and if thought fit, to the pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (“the **Act**”) read with rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors (“the **Board**”), the Company be and hereby ratifies the remuneration of ₹ 0.34 millions (Rupees Three Hundred Forty Five Thousand only) plus applicable Goods and Services Tax and out of pocket expenses at actuals, if any, for the Financial Year ending on March 31, 2025 payable to Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company pertaining to product ‘Nutralite’ being manufactured by the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company.”

By Order of the Board of Directors

**Nandish P. Joshi**

Date : May 14, 2024  
Place : Ahmedabad

Company Secretary  
Membership No. A39036

## NOTES:

### 1. Explanatory Statement:

The Explanatory Statement pursuant to the provisions of section 102 of The Companies Act, 2013 (“the **Act**”) in respect of business under Item Nos. 5 to 8 of the Notice is annexed hereto. The Board of Directors (“the **Board**”) have considered and decided to include Item Nos. 5 to 8 given above as the special business in the Thirtieth AGM, as they are unavoidable in nature.

### 2. Virtual Meeting:

The Ministry of Corporate Affairs (“**MCA**”) vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, May 5, 2022, December 28, 2022 and September 25, 2023 (“**MCA Circulars for General Meetings**”) and The Securities and Exchange Board of India (“**SEBI**”) vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and October 7, 2023 (“**SEBI Circulars for General Meetings**”), permitted the holding of the general meetings through VC / OAVM, without the physical presence of the members at a common venue till September 30, 2024. Pursuant to the provisions of the Act, The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **Listing Regulations**”), MCA Circular for General Meetings and SEBI Circular for General Meetings, the AGM of the Company is being held through VC / OAVM.

As the AGM is being held pursuant to MCA Circular for General Meetings and SEBI Circular for General Meetings through VC / OAVM, the facility to appoint proxy will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map for venue of AGM are not annexed to this Notice.

### 3. Authorised Representative:

A Body Corporate is entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting. Further, pursuant to sections 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their vote through e-voting.

Institutional / Corporate members (i.e. other than individual / HUF, NRI etc.) are required to send a scanned copy (PDF / JPEG format) of its Board or governing body Resolution / Authorization etc. authorizing the representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to Mr. Hitesh Buch, the Scrutinizer appointed by the Company, on his registered e-mail id [pcs.buchassociates@gmail.com](mailto:pcs.buchassociates@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### 4. Payment of Dividend and deduction of tax at source:

The final dividend on equity shares, if declared at the AGM, will be paid electronically or through cheque which will be dispatched through post on or after Wednesday, August 7, 2024 to those members whose name appears in the Company’s Register of Members or List of Beneficial Owners as received from National Securities Depository Limited (“**NSDL**”) and Central Depository Services (India) Limited (“**CDSL**”) (NSDL and CDSL are collectively referred to as “**Depositories**”) on Friday, July 19, 2024 i.e. the Record Date fixed for this purpose.

- The members may note that the Board, at its meeting held on May 14, 2024 has recommended a final dividend of ₹ 5/- (Rupees Five only) (i.e. 50.0%) per equity share of ₹ 10/- (Rupees Ten only) each, for the Financial Year ended on March 31, 2024. The members holding shares as on Friday, July 19, 2024 will be entitled to receive the final dividend declared, if any, for the Financial Year ended on March 31, 2024, by the members at the ensuing AGM, (i) as per the list of beneficial owners provided by the Depositories in respect of shares held in demat form and (ii) as per the Register of Members of the Company after giving effect to valid request of transmission / transposition in physical form lodged with Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company (“**RTA**”) on or before the aforesaid date i.e. Friday, July 19, 2024. The transmission / transposition request, complete in all respects, should reach the RTA well before the above date. The final dividend, once approved by the members in the AGM, will be paid on or after 5<sup>th</sup> day from the date of AGM i.e. Wednesday, August 7, 2024, electronically through various online transfer modes to those members who have updated their bank account details. For members holding shares in dematerialized mode and who have not updated their bank account details / details updated are changed / insufficient, cheques will be sent to their registered address as per the permitted mode. To avoid delay in receiving the dividend, members are requested to update their Know Your Client (“**KYC**”) with their Depositories Participant (“**DP**”) (where shares are held in dematerialized mode) and with the RTA (where shares are held in physical mode) to receive the dividend directly into their bank account on the pay-out date.

6. The members may note that The Income Tax Act, 1961, ("the **IT Act**") as amended by The Finance Act, 2020, mandates that dividend paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("**TDS**") at the time of making the payment of dividend.

The Company will send an e-mail to all the members of the Company whose e-mail ids are registered with the Company / RTA with all the details of prescribed tax rates for various categories of members (Resident Indian, Non-Resident Indian, FIIs, FPIs, etc.), the link to download various forms / documents, separate link and e-mail id to upload the signed forms and various documents by the members to enable the Company to determine the appropriate TDS / applicable withholding tax rate.

For the information of the members, it is hereby clarified that no tax will be deducted on payment of dividend to the resident individual members if the total dividend to be paid during the Financial Year 2024-2025 does not exceed ₹ 5,000/- (Rupees Five Thousand only), or if an eligible resident member has provided a valid declaration in Form 15G / 15H or other documents as may be applicable to different categories of members. The rate of TDS would vary depending on the residential status of the member and documents registered with the Company.

The members will also be able to download the details of TDS from the website of the Income Tax Department at <https://www.incometax.gov.in> (refer to Form 26AS).

In case TDS is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, an option is still available with the member to file the Return of Income and claim an appropriate refund. No claim shall lie against the Company for such TDS / withholding tax deducted.

In the event of any income tax demand (including interest, penalty, etc.) on the Company arising due to any misrepresentation, inaccuracy or omission of information provided by the member/s, such member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any assessment / appellate proceedings before the Tax / Government Authorities.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

If you are a member of the Company as on record date and the dividend receivable by you is taxable under the IT Act, the Company shall be obligated to deduct TDS on the dividend payable to you as per the applicable provisions under the IT Act.

Members holding shares in dematerialized mode, are requested to update their records such as tax residential status, PAN, e-mail address, mobile number and other details with their relevant Depositories through their DPs and members holding shares in physical mode are requested to furnish details to the RTA.

7. **Transfer of dividend and shares to Investor Education and Protection Fund Authority ("IEPF"):**

Pursuant to the provisions of section 125 of the Act and the Rules made thereunder, those members who have not encashed their dividend cheques pertaining to the following Financial Years are requested to approach the Company / RTA for the payment thereof as the same will be transferred to the IEPF Authority on the respective date mentioned there against. Members are requested to note that after such date, they may apply for refund of any unclaimed dividend which has been transferred to the IEPF, under sub-section (4) of section 125 or under proviso to sub-section (3) of section 125 of the Act, as the case may be, to the IEPF by making an online application in the prescribed web Form No. IEPF-5 available on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in) along with fees and documents as may be prescribed by the IEPF.

Financial Year Ended on	Date of Declaration of Dividend	% of Dividend Paid	Due Date of Transfer of Unpaid Dividend to IEPF Authority
March 31, 2018	August 3, 2018	80	September 9, 2025
March 31, 2019	July 31, 2019	50	September 6, 2026
March 31, 2020	March 13, 2020	50 <sup>@</sup>	April 19, 2027
March 31, 2021	July 30, 2021	50	September 5, 2028
March 31, 2022	July 29, 2022	50	September 4, 2029
March 31, 2023	August 3, 2023	50	September 9, 2030

@ Interim Dividend

Pursuant to the provisions of section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016 as amended from time to time (hereinafter referred to as "the **IEPF Rules**"), from April 1, 2023 to May 14, 2024, the Company has transferred 11,872 (Eleven Thousand Eight Hundred Seventy Two) equity shares of ₹ 10/- (Rupees Ten only) each of 259 (Two Hundred Fifty Nine) members whose dividend remained unclaimed or unpaid for a consecutive period of 7 (seven) years or more to the demat account of IEPF authority constituted by the MCA.

Pursuant to rule 5(8) of the IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividend as on March 31, 2023 on its website at

<https://www.zyduswellness.com/investor/Form%20IEPF-2%20excel%20-%20Uploaded%20on%20website.pdf> and on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in).

8. **Electronic payment of Dividend, Nomination, Consolidation of multiple folios and transfer of shares:**

The members holding shares in physical mode are requested to intimate the RTA of the Company at their address: 5<sup>th</sup> Floor, 506-508, Amarnath Business Centre-I (ABC-I), Beside Gala Business Centre, Navrangpura, Off C. G. Road, Ahmedabad – 380006, changes, if any, in their name, registered address along with pincode number, e-mail address, telephone / mobile number, Permanent Account Number (“PAN”), mandates, nominations, power of attorneys, bank account number, MICR code, IFS code, etc. and relevant evidences. Members holding shares in electronic mode shall update such details with their respective DP.

The SEBI vide its circular dated April 20, 2018, directed all the listed companies to record the PAN and Bank Account Details of all their members holding shares in physical mode. All those members who are yet to update their details with the Company / RTA are requested to do so at the earliest. This will help the members to receive the dividend declared by the Company, directly in their respective bank account.

Pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023), members who hold shares in physical form and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], **shall be eligible to receive dividend only in electronic mode with effect from April 1, 2024. Accordingly, payment of final dividend, subject to approval by the members in the AGM, shall be paid to the members holding shares in physical form only after the above details are updated in their folios.** The Company had sent communication in this regard to all the shareholders holding shares in physical form and whose KYC details were not updated and has uploaded the summary of the circular on the website of the Company at <https://www.zyduswellness.com/investor/Website%20Letter%2027-01-24.pdf>. Members are requested to update their KYC details by submitting the Investor Service Request (ISR) Forms, duly complete and signed by the registered holder(s) so as to reach the RTA, **on or before Friday, July 12, 2024** so that the KYC can be updated in the folios before the cut-off date i.e. Friday, July 19, 2024.

Pursuant to the provisions of section 72 of the Act, the facility of 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.

Members are requested to submit the said details to their respective DP in case the shares are held by them in dematerialized mode and to the Company / RTA, in case the shares are held in physical mode.

Members holding shares in physical mode, in identical order of names, in more than one folio are requested to send to the Company / RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A letter of confirmation for consolidated shares will be issued to such members after making requisite changes.

In case of joint holders, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

9. Pursuant to the provisions of regulation 40 of the Listing Regulations, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised mode, except for transmission or transposition and re-lodged for transfer of securities. Further, SEBI vide its circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialized mode. 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 to dematerialise their holdings at the earliest, as it will not be possible to transfer shares held in a physical mode. Members can contact the Company / RTA for assistance in this regard.
10. **Details of Directors seeking re-appointment / regularization:**

Pursuant to regulation 36(3) of the Listing Regulations and standard 1.2.5 of Secretarial Standard-2 of General Meetings issued by The Institute of Company Secretaries of India (“ICSI”), the information of the Directors seeking re-appointment / regularization at the ensuing AGM is provided in **Annexure-A** to the Notice.

11. **Electronic dispatch of Annual Report:**

In compliance with MCA Circular for General Meetings and SEBI Circular for General Meetings, Notice of the AGM of the Company, inter alia, indicating the process and manner of e-voting and the Annual Report for the financial year 2023-2024 is being sent only through electronic mode to those members whose e-mail address is registered with the Company / RTA / DP.

The members may also note that the Notice of the AGM and the Annual Report for the Financial Year 2023-2024 are uploaded and available on the website of the Company, Stock Exchanges and CDSL at [www.zyduswellness.com](http://www.zyduswellness.com), [www.bseindia.com](http://www.bseindia.com),

[www.nseindia.com](http://www.nseindia.com) and [www.evotingindia.com](http://www.evotingindia.com) respectively. The copies of the documents will also be available for electronic inspection during normal business hours on working days, from the date of circulation of this Notice upto the date of AGM. For any communication, the members may also send requests on the e-mail id of the Company at [investor.grievance@zyduswellness.com](mailto:investor.grievance@zyduswellness.com) or [nandish.joshi@zyduswellness.com](mailto:nandish.joshi@zyduswellness.com).

#### 12. **Mandatory furnishing of KYC details and nomination by holders of physical securities:**

The SEBI, vide its Master Circular for Registrars to an Issue and Share Transfer Agents dated May 17, 2023, has prescribed certain mandatory provisions with regard to "Common and Simplified Norms for processing investor's request by RTAs and norms for furnishing PAN, KYC details and Nomination", where the shares are held in physical mode. The said SEBI circular prescribes the following:

- i. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities.
- ii. Freezing of folios without valid PAN, KYC details and Nomination.
- iii. Mode for providing documents/details by investors for various service requests.
- iv. Standardized, simplified and common norms for processing any service request from the holder, pertaining to the captioned items, by the RTAs.
- v. Electronic interface for processing investor's queries, complaints and service request and
- vi. Compulsory linking of PAN and Aadhaar by all holders of physical securities.

**Members of the Company holding shares in physical form shall provide the following documents / details to the RTA of the Company:**

- i. PAN.
- ii. Nomination (for all eligible folios) in Form No. SH-13 or submit declaration to "Opt-Out" in Form No. ISR-3.  
**Note:** Any cancellation or change in nomination shall be provided in Form No. SH-14.
- iii. Contact details including postal address with pin code, mobile number and e-mail address.
- iv. Bank account details including bank name, branch, bank account number and IFS code.
- v. Specimen signature.

**Please provide the above documents / details to the RTA of the Company along with other basic details like name of the member, folio number, certificate number and distinctive numbers.**

As per the said SEBI circular, the Company has uploaded the following documents [along with the SEBI circulars and Frequently Asked Questions (FAQs) with respect to Investor Service Requests processed by RTA] on the website of the Company at <https://www.zyduswellness.com/investor/Mandatory-furnishing-of-KYC-and-Nomination-of-Shareholders.pdf>:

- i. Form No. ISR-1 - Request for registering PAN, KYC details or changes / updation thereof.
- ii. Form No. ISR-2 - Confirmation of signature of securities holder by the Banker.
- iii. Form No. ISR-3 - Declaration form for opting-out of nomination by holders of physical securities in listed companies.
- iv. Form No. SH-13 - Nomination form.
- v. Form No. SH-14 - Cancellation or variation of nomination.

Further, the contact details of the Company and RTA are also available on the website of the Company at the above link.

#### 13. **Issue of shares in dematerialized mode only:**

The SEBI, vide its notification dated January 24, 2022 amended certain provisions of the Listing Regulations inter-alia pertaining to issue of shares in dematerialized mode only. Further, the SEBI vide its circular No. SEBI/HO/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 issued operational guidelines for dematerialization of securities received for processing investor's service request.

Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate. It also substantially reduces the risk of fraud. **Therefore, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.**

For more details, please visit our website at <https://www.zyduswellness.com/investor/Mandatory-furnishing-of-KYC-and-Nomination-of-Shareholders.pdf>.

#### 14. **Registration of email address and inspection of statutory registers:**

Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communications electronically including Annual Report, Notices, Circulars, etc. from the Company.

The e-mail address can be registered with the DP in case the shares are held in dematerialized mode and with the RTA in case the shares are held in physical mode.



The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested will be available for inspection by the members electronically during the AGM.

15. **E-Voting (voting through electronic means):**

- I. The businesses as set out in the Notice shall be transacted through electronic voting system. Pursuant to the provisions of section 108 of the Act read with rule 20 of The Companies (Management and Administration) Rules, 2014, standard 7.2 and 8 of Secretarial Standard-2 on General Meetings and in compliance with regulation 44 of the Listing Regulations and pursuant to MCA Circular for General Meetings and SEBI Circular for General Meetings, the Company is pleased to provide the facility of voting through electronic means, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with CDSL to facilitate the members to cast their votes from a place other than venue of the AGM ("**remote e-voting**"). The facility for voting shall be made available at the AGM through electronic voting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right during the AGM. The facility of casting votes by a member using remote e-voting as well as e-voting at the meeting on the date of the AGM will be provided by CDSL.

Pursuant to the provisions of section 107 of the Act, as the Company is providing the facility of remote e-voting and e-voting during AGM to the members, there shall be no voting by show of hands at the AGM.

- II. Pursuant to the MCA Circular for General Meetings and SEBI Circular for General Meetings, physical attendance of the members at the AGM venue is not required and AGM can be held through VC / OAVM. Accordingly, members can attend and participate in the ensuing AGM through VC / OAVM.
- III. The members can join the AGM through the VC / OAVM mode 30 minutes before the scheduled time for AGM and within 15 minutes after the scheduled time of the commencement of the AGM 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 (one thousand) members on first come first served basis. This will not include large members (holding 2.0% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee and the Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- IV. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act.

- V. A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the Depositories as on Friday, July 26, 2024 ("**cut-off date**"), shall be entitled to avail the facility of remote e-voting or e-voting during the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.

The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again.

The members whose name appear in the Register of Members / List of Beneficial Owners as on cut-off date are entitled to vote on Resolutions set forth in the Notice of AGM. Eligible members who have acquired shares after sending the Notice electronically and holding shares as on the cut-off date may approach the Company for seeking assistance for issuance of the User id and Password for exercising their right to vote by electronic means.

VI. **Process for those members whose e-mail id / and mobile number are not registered with the Company / RTA / Depositories:**

- i. The members holding shares in physical mode - please provide to the Company / RTA, duly filled and signed Form No. ISR-1 and ISR-2, format of which is available on the website of the Company / RTA.
- ii. The members holding shares in dematerialized mode - please update e-mail id and mobile number with your respective DP.
- iii. Individual members holding shares in demat mode - please update your e-mail id and mobile number with your respective DP which is mandatory for e-voting and joining the AGM through VC / OAVM through Depository.

VII. **Instructions for members for remote e-voting, e-voting during AGM and joining the AGM through VC / OAVM are as under:**

- i. The remote e-voting period commences at **9:00 a.m. (IST) on Tuesday, July 30, 2024 and ends at 5:00 p.m. (IST) on Thursday, August 1, 2024**. During this period members of the Company, holding shares either in physical mode or in dematerialized mode, as on the cut-off date i.e. Friday, July 26, 2024, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.


- ii. The members who have already voted prior to the date of AGM would not be entitled to vote during the AGM.
- iii. Pursuant to SEBI Circular No. SEBI/HO/FD/CMD/ CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations, listed companies are required to provide remote e-voting facility to its members in respect of all members’ resolutions.

Currently there are multiple e-voting service providers (“**ESPs**”) providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders by

way of a single login credential, through their demat accounts / website of Depositories / DPs. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process.

- iv. In view of the aforesaid SEBI Circular, individual members holding shares in dematerialized mode are allowed to vote through their demat account maintained with Depositories and DPs. **Members are advised to update their mobile number and e-mail id in their demat account in order to access e-voting facility.** Pursuant to the aforesaid SEBI Circular, login method for e-voting and joining virtual meeting for individual members holding shares in dematerialized mode is given below:

Type of member	Login method
Individual members holding shares in dematerialized mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL’s 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 URL for users to login to Easi / Easiest is <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi tab.</li> <li>2. After successful login, the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting 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 and voting during the meeting. Additionally, there is also link provided to access the system of all e-voting service providers, so that the user can directly visit the website of e-voting service provider.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login and New System Myeasi tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail id as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.</li> </ol>
Individual member holding shares in dematerialized mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal Computer or on a mobile. On the e-services home page click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on “Access to e-Voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website page for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have 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. After successful authentication, you will be re-directed to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</li> <li>4. Members can also download NSDL mobile app “NSDL SPEED-e” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

Type of member	Login method
Individual member (holding shares in dematerialized mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility. After successful 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. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting and 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 websites.

#### Helpdesk for individual members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual members holding securities in dematerialized mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or call at toll free no.: 1800 22 55 33.
Individual members holding securities in dematerialized mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000.

#### v. Login method for remote e-voting and joining AGM through VC/OAVM for members holding shares in Physical mode and other than individual members holding shares in Demat mode:

1. The members should log on to the remote e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on Shareholders.
3. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in dematerialized mode and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

For members holding shares in Physical mode and other than individual members holding shares in Demat mode	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both, members holding shares in dematerialized mode and members holding shares in physical mode). Members who have not updated their PAN with the Company / DP are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank details or Date of Birth (DOB) (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login. If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in dematerialized mode will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other Company in which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Members holding shares in physical mode, the details can be used only for remote e-voting on the resolutions contained in this Notice.

10. Click on the EVSN for **ZYDUS WELLNESS LIMITED** on which you choose to vote.
11. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
13. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the vote cast by clicking on “Click here to print” option on the voting page.
16. If demat account holder has forgotten the login password, they should enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
17. There is also an optional provision to upload Board Resolution /Power of Attorney (“**POA**”), if any, which will be made available to scrutinizer for verification.
18. Note for Non-Individual members and Custodians:
  - Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporate” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be sent by e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
  - It is mandatory that, a scanned copy of the BR and/or POA, which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively non-individual members are mandatorily required to send the relevant Board Resolution / authority letter together with attested specimen signature of the duly authorised signatory, who are authorised to vote, to the Scrutinizer at his email id: [pcs.buchassociates@gmail.com](mailto:pcs.buchassociates@gmail.com) and to the Company at the email id: [nandish.joshi@zyduswellness.com](mailto:nandish.joshi@zyduswellness.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

19. If you have any queries or issues regarding attending AGM and e-voting from the e-voting system, you can write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL at the address: A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or you can write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no. 1800 22 55 33.

A member can opt for only one mode of voting i.e. either through remote e-voting or voting during the meeting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.

The Company has appointed Mr. Hitesh Buch, Practicing Company Secretary (Membership No. 3145), to act as the Scrutinizer for conducting the remote e-voting in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The results of the e-voting on the Resolutions at the AGM shall be announced by the Chairman or any other person authorised by him immediately after the results are declared.

The results declared along with the Scrutinizer's report, will be posted on the website of the Company at [www.zyduSwellness.com](http://www.zyduSwellness.com) and on the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com) and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the results by the Chairman or any other person authorised by him and communicated to the Stock Exchanges.

**VIII. Instructions for members attending the AGM through VC / OAVM and e-voting during AGM are as under:**

1. The procedure for attending the AGM and e-voting during AGM is same as the instructions mentioned above for remote e-voting.

2. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
3. The members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
4. The members are encouraged to join the AGM through Laptop / I-Pads for better experience.
5. Further, the members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. The members who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending their request at the registered office of the Company or by sending an email at [nandish.joshi@zyduswellness.com](mailto:nandish.joshi@zyduswellness.com) **atleast 7 (seven) days prior to the AGM i.e. on or before Friday, July 26, 2024** mentioning their name, demat account number / folio number, e-mail id and mobile number.

The members who do not wish to speak during the AGM but have queries may send their queries **atleast**

**7 (seven) days prior to the AGM i.e. on or before Friday, July 26, 2024** mentioning their name, demat account number / folio number, e-mail id, mobile number on the above mentioned e-mail id. These queries will be replied suitably by the Company.

8. Those members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.
9. Only those members, who are present in the AGM through VC / OAVM facility and have not cast their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the AGM through VC / OAVM facility, the votes cast by such members shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

#### REQUEST TO THE MEMBERS:

The members desiring any relevant information on the Audited Financial Statements or any matter to be placed at the AGM are requested to write to the Company at the registered office of the Company or by sending an email at [nandish.joshi@zyduswellness.com](mailto:nandish.joshi@zyduswellness.com) **atleast 7 (seven) days prior to the AGM i.e. on or before Friday, July 26, 2024**. The same will be replied suitably by the Company.

## ZYDUS WELLNESS LIMITED

(CIN: L15201GJ1994PLC023490)

**Registered Office:** Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar),  
Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad-382481

**Website:** [www.zyduswellness.com](http://www.zyduswellness.com); **E-mail ID:** [investor.grievance@zyduswellness.com](mailto:investor.grievance@zyduswellness.com)

**Phone No.:** +91-79-71800000; +91-79-48040000

### Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 (“the Act”):

The following statement sets out all material facts relating to Special Businesses under Item Nos. 5 to 8 mentioned in the accompanying Notice of AGM dated May 14, 2024.

#### Item No. 5: Re-appointment of Mr. Tarun Arora (DIN: 07185311) as a Chief Executive Officer & Whole Time Director for a period of 5 (five) years:

Mr. Tarun Arora, aged 52 years, is alumnus of Harvard (AMP) and IMT Ghaziabad (PGDBM). He has rich experience of 29 (twenty nine) years in handling General Management and Leadership Roles with outstanding business growth for large FMCG companies as well as for start-ups. He has been leading the Company’s business for 9 (nine) years in the capacity of Chief Executive Officer (“CEO”) & Whole Time Director (“WTD”)

Mr. Tarun Arora was re-appointed as CEO & WTD of the Company for a period of 5 (five) years with effect from May 7, 2020 and his tenure of appointment will expire on May 6, 2025.

Based on the recommendation of Nomination and Remuneration Committee (“NRC”), the Board of Directors (“Board”) of the Company at its meeting held on May 14, 2024 has, subject to approval of members, approved re-appointment of Mr. Tarun Arora as a CEO & WTD for a further period of 5 (five) years with effect from May 7, 2025 to May 6, 2030, on payment of salary and perquisites (herein after referred to as “remuneration”) of ₹ 13.60 millions (Rupees Thirteen millions Six Hundred Thousand only) for the Financial Year ending on March 31, 2025 and thereafter remuneration shall be based on his performance evaluation, as may be recommended by the NRC and approved by the Board.

Mr. Tarun Arora was re-appointed as a CEO & WTD in accordance with the relevant provisions of the Act read with Schedule V of the Act. Mr. Tarun Arora shall be entitled to remuneration by way of salary, dearness allowance, perquisites, commission and other allowances, as may be determined by the Board, within the overall limits prescribed under the provisions of the Act and Schedule V of the Act.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure as a CEO & WTD, the Company has no profits or has inadequate profits, the Company shall pay remuneration by way of salary, perquisites and allowances as specified in the resolution as

minimum remuneration to the CEO & WTD subject to limits as prescribed under Schedule V of the Act or such other limits as may be prescribed by the Central Government from time to time.

The terms of appointment and remuneration given herein may be fixed, altered, varied and increased from time to time by the Board, at its sole discretion as they deem fit, so as not to exceed the overall limits as prescribed under the provisions of the Act. The remuneration payable and the other terms and conditions of the re-appointment of Mr. Tarun Arora as a CEO & WTD are set out in the agreement proposed to be entered into by the Company with him, which shall be available for inspection by the members at the Registered Office of the Company at any time between 10:00 a.m. to 1:00 p.m. on any working day up to the date of the AGM.

In the opinion of the Board, Mr. Tarun Arora fulfills the conditions specified in the Act and Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and the Company has received a notice from a member under section 160 of the Act proposing the candidature of Mr. Tarun Arora for his re-appointment as a CEO & WTD of the Company.

The Company has received all statutory disclosures / declarations including consent to act as a Director and confirmation that he is not disqualified under section 164(1) and 164(2) of the Act.

A brief profile of Mr. Tarun Arora and other details as required under the Act and Listing Regulations are provided in **Annexure-A** forming part of the Notice.

Taking into consideration the rich experience, expertise and knowledge in the field of FMCG sector and contributions in the growth of the Company, it would be in the best interest of the Company that Mr. Tarun Arora is re-appointed as a CEO & WTD of the Company for a further period of 5 (five) years w.e.f. May 7, 2025 to May 6, 2030.

Except Mr. Tarun Arora and his relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends for approval of the members the passing of the resolution as an Ordinary Resolution as set out at Item No. 5 of the Notice.

**Item No. 6: Continuation of Mr. Ashish P. Bhargava (DIN: 02574919) as a Nominee Director of the Company:**

Mr. Ashish P. Bhargava, aged 52 years, holds Bachelor's degree of Engineering and Post Graduate Diploma in Management. He is involved in managing True North businesses in varied industries including Consumer, Construction Materials and Logistics.

Based on the recommendation of NRC and approval of the Board, Mr. Ashish P. Bhargava was appointed as a Non-Executive Nominee Director (nominee of Threpsi Care LLP) of the Company with effect from January 30, 2019, not liable to retire by rotation.

Pursuant to the provisions of clause 17(1D) of the Listing Regulations which is effective from April 1, 2024, the continuation of a director serving on the Board of a listed company shall be subject to the approval by the members in a general meeting at least once in every 5 (five) years from the date of their appointment or re-appointment, as the case may be. Further, the continuation of the director serving on the Board of a listed Company as on March 31, 2024, without the approval of the members for the last 5 (five) years or more shall be subject to the approval of the members in the first general meeting to be held after March 31, 2024.

In January 2019, the NRC had recommended and the Board had approved appointment of Mr. Ashish P. Bhargava and approval of members was not required and hence not sought in the general meeting. In view of the above and in accordance with the provisions of the Act, the Listing Regulations and Articles of Association of the Company, the NRC and the Board at their respective meetings held on May 14, 2024 have, subject to approval of the members, approved continuation of Mr. Ashish P. Bhargava as a Non-Executive Nominee Director of the Company, not liable to retire by rotation.

The Company has received a Notice in writing from a member of the Company under section 160 of the Act, proposing his candidature for continuation as a Nominee Director.

The Company has received all statutory disclosures / declarations including consent to act as a Director and confirmation that he is not disqualified under section 164(1) and 164(2) of the Act. A brief profile of Mr. Ashish P. Bhargava and other details as required under the Act and Listing Regulations are provided in **Annexure-A** forming part of the Notice.

Taking into consideration the rich experience, expertise and knowledge in the field of FMCG sector, it would be in the best interest of the Company that Mr. Ashish P. Bhargava continues as a Non-Executive Nominee Director of the Company.

Except Mr. Ashish P. Bhargava and his relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends for approval of the members the passing of the resolution as an Ordinary Resolution as set out at Item No. 6 of the Notice.

**Item No. 7: Approval of Commission payable to the Non-Executive Directors:**

Pursuant to the provisions of section 197 of the Act and Rules made thereunder, the members of the Company at the 25<sup>th</sup> (Twenty Fifth) AGM held on Wednesday, July 31, 2019, approved by way of passing an Ordinary Resolution the payment of commission to the Non-Executive Directors of the Company, within the maximum limit of 1% (one percent) of net profits of the Company, subject to maximum ₹ 15 millions (Rupees Fifteen millions only) in aggregate for each financial year as computed in accordance with the provisions of section 198 of the Act for a period of 5 (five) years effective from April 1, 2019 upto March 31, 2024.

The Non-Executive Directors play a significant role in the growth of the Company, requiring time commitment, continued guidance and oversight. Pursuant to the provisions of section 197 of the Act, a Company can pay remuneration to its Non-Executive Directors by way of commission, within the maximum limit of 1% (one percent) of net profits of the Company, for each Financial Year, as computed in accordance with the provisions of section 198 of the Act, if Managing Director / Whole Time Director / Manager is appointed. Further, pursuant to the provisions of regulation 17(6)(a) of the Listing Regulations, all fees / commission, paid to the Non-Executive Directors, shall be recommended by the Board and shall require approval of the members in general meeting.

The Board at its meeting held on May 14, 2024 has, subject to approval of members, approved payment of commission to the Non-Executive Directors (other than Managing Director and Whole-time Director) of the Company, for a period of 5 (five) years commencing from April 1, 2024 to March 31, 2029, at the amount / rate as may be recommended by the NRC and approved by the Board from time to time, within the maximum limit of 1.0% (one percent) of net profits of the Company and subject to maximum ₹ 15 millions (Rupees Fifteen millions only) in aggregate for each financial year, computed in accordance with the provisions of section 198 of the Act or such other limit as may be specified in the Act from time to time.

The remuneration will be distributed amongst all or some of the Non-Executive Directors in accordance with the directions given by the Board for each financial year and subject to other applicable requirements under the Act. Within the ceiling approved by the members, the Board will decide and pay the commission to each of the Non-Executive Directors. The above remuneration shall be in addition to the fees payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

None of the Directors (except Non-Executive Directors) or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends for approval of the members the passing of the resolution as an Ordinary Resolution as set out at Item No. 7 of the Notice.

**Item No. 8: Ratification of remuneration to Cost Auditors:**

Pursuant to the provisions of section 148(3) of the Act and rule 14 of The Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to product 'Nutralite' being manufactured by the Company.

On the recommendation of the Audit Committee, the Board at its meeting held on May 14, 2024 has approved the appointment of Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) as the Cost Auditors to conduct audit of cost records of the Company for the Financial Year ending on March 31, 2025, at a remuneration of ₹ 0.34 millions (Rupees Three Hundred Forty Five Thousand only) plus

applicable Goods and Services Tax and out of pocket expenses at actuals, if any.

Dalwadi & Associates, Cost Accountants have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. Pursuant to the provisions of the Act read with the Rules 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors shall be ratified by the members of the Company.

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 resolution set out at item No. 8 of the Notice.

The Board recommends for approval of the members the passing of the resolution as an Ordinary Resolution as set out at Item No. 8 of the Notice.

By Order of the Board of Directors

**Nandish P. Joshi**

Company Secretary

Membership No. A39036

Date : May 14, 2024

Place : Ahmedabad



## Annexure-A

### Details of Directors seeking re-appointment / regularization at the Annual General Meeting

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and standard 1.2.5 of Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India]

Name of the Director	Mr. Tarun Arora, Chief Executive Officer & Whole Time Director																
DIN	07185311																
Date of Birth	January 11, 1972																
Age	52 years																
Date of first appointment on the Board	May 14, 2015																
Date of re-appointment by the members	May 7, 2020																
Qualifications	Bachelor of Science, Post Graduate Diploma in Business Management and Advance Management Program (AMP)																
Brief resume and nature of expertise in functional areas	<p>Mr. Tarun Arora has been leading the Company's business for 9 (nine) years in the capacity of Chief Executive Officer &amp; Whole Time Director. The business has scaled up more than 5 times under his watch. He is instrumental in accelerating the growth of the company on back of innovations, expanding the geographies for the business and building high performing leadership team.</p> <p>Mr. Arora is alumnus of Harvard (AMP) and IMT Ghaziabad (PGDBM). He has rich experience of 29 (twenty nine) years in which he has handled General Management and Leadership Roles with outstanding business growth for large FMCG companies as well as for start-ups. He has played a pivotal role in business transformation and post-merger integration projects in his career.</p> <p>He was Chief Executive, India business at Danone Waters prior to joining the Company. He has also worked with various FMCG companies like Wipro, Bharti Walmart, Godrej and Sara Lee covering various aspects of business including strategy, brand development and route to marketing transformations.</p> <p>He has knowledge and expertise in sustainability and ESG, FMCG, finance, manufacturing, marketing and communications, business management, information technology / cybersecurity and human resource.</p>																
Relationship with other Directors and Key Managerial Personnel	None.																
Name of the companies in which Mr. Tarun Arora holds Directorships and Memberships of Committees of the Board	<p><b>A. Directorship in listed companies:</b></p> <ol style="list-style-type: none"> <li>Zydus Wellness Limited</li> </ol> <p>Mr. Tarun Arora has not resigned as a director of any listed company in past 3 (three) years.</p> <p><b>B. Directorship in other companies:</b></p> <ol style="list-style-type: none"> <li>Zydus Wellness Products Limited</li> <li>Liva Investment Limited</li> <li>Liva Nutritions Limited</li> <li>The Indian Society of Advertisers</li> </ol> <p><b>C. Committee positions in companies:</b></p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name of the Company</th> <th>Name of the Committee</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td rowspan="3">1.</td> <td rowspan="3">Zydus Wellness Limited</td> <td>Stakeholder's Relationship Committee</td> <td>Member</td> </tr> <tr> <td>Share Transfer Committee</td> <td>Member</td> </tr> <tr> <td>Finance and Administration Committee</td> <td>Member</td> </tr> <tr> <td>2.</td> <td>Zydus Wellness Products Limited</td> <td>Corporate Social Responsibility Committee</td> <td>Member</td> </tr> </tbody> </table>	Sr. No.	Name of the Company	Name of the Committee	Position	1.	Zydus Wellness Limited	Stakeholder's Relationship Committee	Member	Share Transfer Committee	Member	Finance and Administration Committee	Member	2.	Zydus Wellness Products Limited	Corporate Social Responsibility Committee	Member
Sr. No.	Name of the Company	Name of the Committee	Position														
1.	Zydus Wellness Limited	Stakeholder's Relationship Committee	Member														
		Share Transfer Committee	Member														
		Finance and Administration Committee	Member														
2.	Zydus Wellness Products Limited	Corporate Social Responsibility Committee	Member														

<b>Name of the Director</b>	<b>Mr. Tarun Arora, Chief Executive Officer &amp; Whole Time Director</b>
Number of shares held in the Company	2,000 (Two Thousand) equity shares. Mr. Tarun Arora is not holding any shares as a beneficial owner.
Terms and Conditions of Appointment / Re-appointment	<ul style="list-style-type: none"> <li>• Term of 5 (five) consecutive years w.e.f. May 7, 2025 to May 6, 2030.</li> <li>• Liable to retire by rotation.</li> </ul>
Total remuneration drawn in Financial Year ended on March 31, 2024	₹ 11.92 millions (Rupees Eleven millions Nine Hundred Twenty Thousand only) towards remuneration from the Company and ₹ 58.67 millions (Rupees Fifty Eight millions Six Hundred Seventy Thousand only) from ZWPL, aggregating to ₹ 70.59 millions (Rupees Seventy millions Five Hundred Ninety Thousand only).
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2024	Mr. Tarun Arora has attended all the Board meetings, Committee meetings and General meeting held during the Financial Year ended on March 31, 2024.
Declaration	Mr. Tarun Arora is not debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

<b>Name of the Director</b>	<b>Mr. Ashish P. Bhargava, Non-Executive Nominee Director</b>																				
DIN	02574919																				
Date of Birth	August 18, 1971																				
Age	52 years																				
Date of first appointment on the Board	January 30, 2019																				
Date of re-appointment by the members	N.A.																				
Qualifications	Bachelor's degree of Engineering from IIT, Delhi and Post Graduate Diploma in Management from SP Jain Institute of Management and Research.																				
Brief resume and nature of expertise in functional areas	Mr. Ashish P. Bhargava, is a Nominee Director of the Company, representing True North. He is involved in managing True North businesses in varied industries including Consumer, Construction Materials and Logistics. Prior to joining True North, he was part of Marico where he helped build some of the most admired and innovative brand equities in India, and Coats Viyella, where he helped achieve one of the best process control systems in the industry.  He has knowledge and expertise in sustainability and ESG, finance, marketing, business and management.																				
Relationship with other Directors and Key Managerial Personnel	None.																				
Name of the companies in which Mr. Ashish P. Bhargava holds Directorships and Memberships of Committees of the Board	<p><b>A. Directorship in listed companies:</b></p> <ol style="list-style-type: none"> <li>Zydus Wellness Limited Mr. Ashish P. Bhargava has not resigned as a director of any listed company in past 3 (three) years.</li> </ol> <p><b>B. Directorship in other companies:</b></p> <ol style="list-style-type: none"> <li>Zydus Wellness Products Limited</li> <li>Oakenshield Private Limited</li> <li>Robo Quarries Private Limited</li> <li>Sesa Care Private Limited</li> </ol> <p><b>C. Committee positions in companies:</b></p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name of the Company</th> <th>Name of the Committee</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td rowspan="3">1.</td> <td rowspan="3">Zydus Wellness Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td>Member</td> </tr> <tr> <td>Finance and Administration Committee</td> <td>Member</td> </tr> <tr> <td rowspan="3">2.</td> <td rowspan="3">Sesa Care Private Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td>Member</td> </tr> <tr> <td>Corporate Social Responsibility Committee</td> <td>Member</td> </tr> </tbody> </table>	Sr. No.	Name of the Company	Name of the Committee	Position	1.	Zydus Wellness Limited	Audit Committee	Member	Nomination and Remuneration Committee	Member	Finance and Administration Committee	Member	2.	Sesa Care Private Limited	Audit Committee	Member	Nomination and Remuneration Committee	Member	Corporate Social Responsibility Committee	Member
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2.	Sesa Care Private Limited	Audit Committee	Member																		
		Nomination and Remuneration Committee	Member																		
		Corporate Social Responsibility Committee	Member																		
Number of shares held in the Company	Mr. Ashish P. Bhargava is not holding any shares in the Company directly or by way of beneficial ownership.  As on March 31, 2024, Threpsi Care LLP, who has nominated Mr. Ashish P. Bhargava as a Nominee Director is holding 64,40,216 equity shares (10.12%) equity shares of the Company.																				
Terms of Conditions of Appointment	Not liable to retire by rotation.																				
Total remuneration drawn in Financial Year ended on March 31, 2024	Mr. Ashish P. Bhargava has not drawn remuneration by way of sitting fees or commission.																				
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2024	Mr. Ashish P. Bhargava has attended all the Board meetings, 7 (seven) out of 13 (thirteen) Committee meetings and General meeting held during the Financial Year ended on March 31, 2024.																				
Declaration	Mr. Ashish P. Bhargava is not debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.																				







**Zydus Wellness Limited**

**Registered Office:** Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar),  
Nr. Vaishnodevi Circle, Sarkhej-Gandhinagar Highway, Ahmedabad - 382481, India.

**Phone No.:** +91-79-4804 0000, 7810 0000 | **Website:** [www.zyduswellness.com](http://www.zyduswellness.com)

**CIN:** L15201GJ1994PLCO23490