



**FOR YOU!**

**Zydu<sup>+</sup>s  
Wellness**

Annual Report | 2022-23





## 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

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

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

**Savyasachi S. Sengupta**  
Independent Director

**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

**Ashish P. Bhargava**  
Nominee Director

## Key Managerial Personnel (Other than Directors)

**Umesh V. Parikh**  
Chief Financial Officer

**Nandish P. Joshi**  
Company Secretary  
(w.e.f. July 29, 2022)

## 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

## Registered Office

Zyodus 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 Facility

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

## CIN

L15201GJ1994PLC023490

# CONTENTS

## Corporate Overview

Corporate Snapshot	03
Highlights 2022-23	06
Chairman's Message	08
Flagship Brands	12
Awards and Recognitions	18
Management Discussion and Analysis	20

## Statutory Reports

Directors' Report	29
Corporate Governance Report	46
Business Responsibility and Sustainability Report (BRSR)	73

## Financial Statements

Standalone Financial Statements	110
Consolidated Financial Statements	162
Form AOC-1	218

## Notice of AGM

219

### 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, Complian, Sugar Free, Nycil, Everyuth, and Nutralite.

## Scale

Zydus Wellness manufactures an innovative range of health and wellness products across four manufacturing facilities – one in Gujarat, one in Uttar Pradesh and two in Sikkim.

## Presence

Headquartered in Ahmedabad, Zydus Wellness enjoys a pan-India marketing presence through a distribution network comprising 1700+ distributors and ~2000 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.

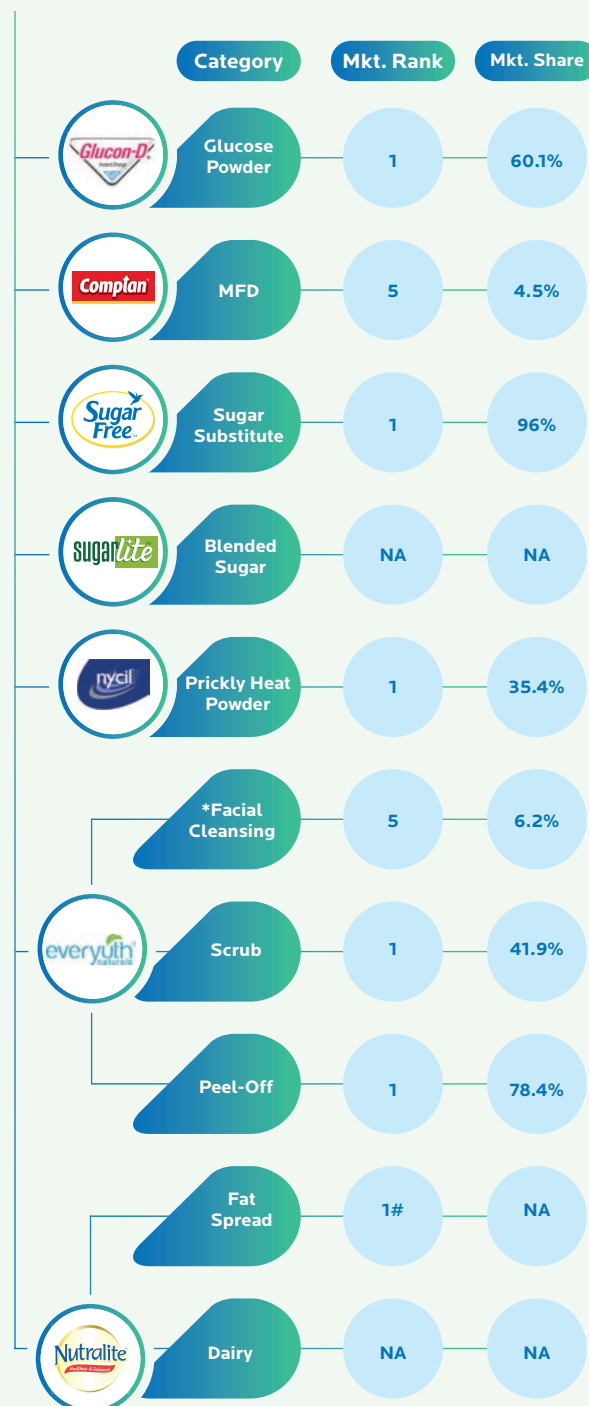
## Listing

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 and ISO 14001, GMP certification as applicable, validating process, quality consistency, and Food Safety.

## Brand Portfolio for FY 2022-23



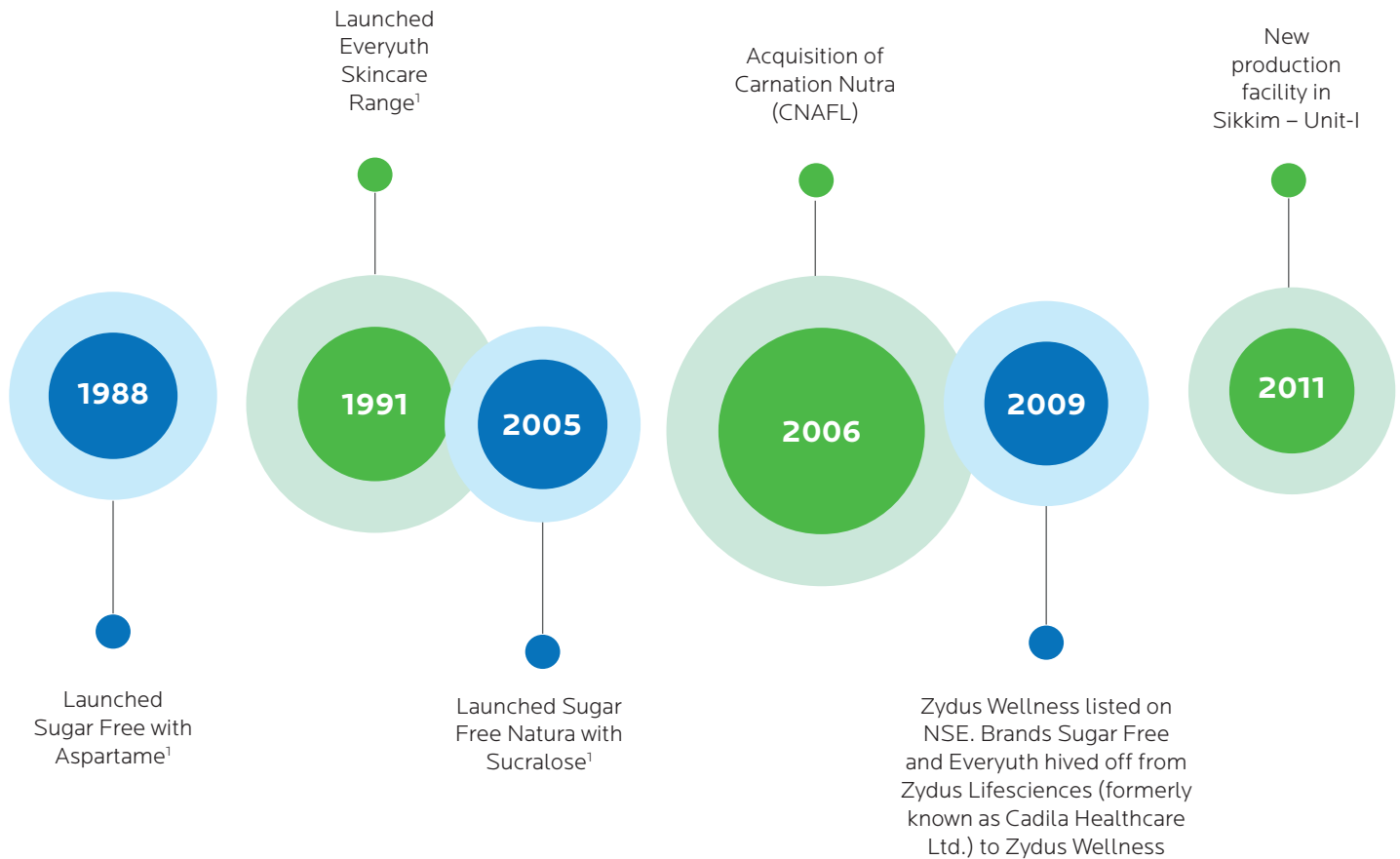
Market share source: MAT March 2023 report as per Nielsen and IQVIA.

\*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.

## Shareholding Pattern and Market Capitalisation as at March 31, 2023

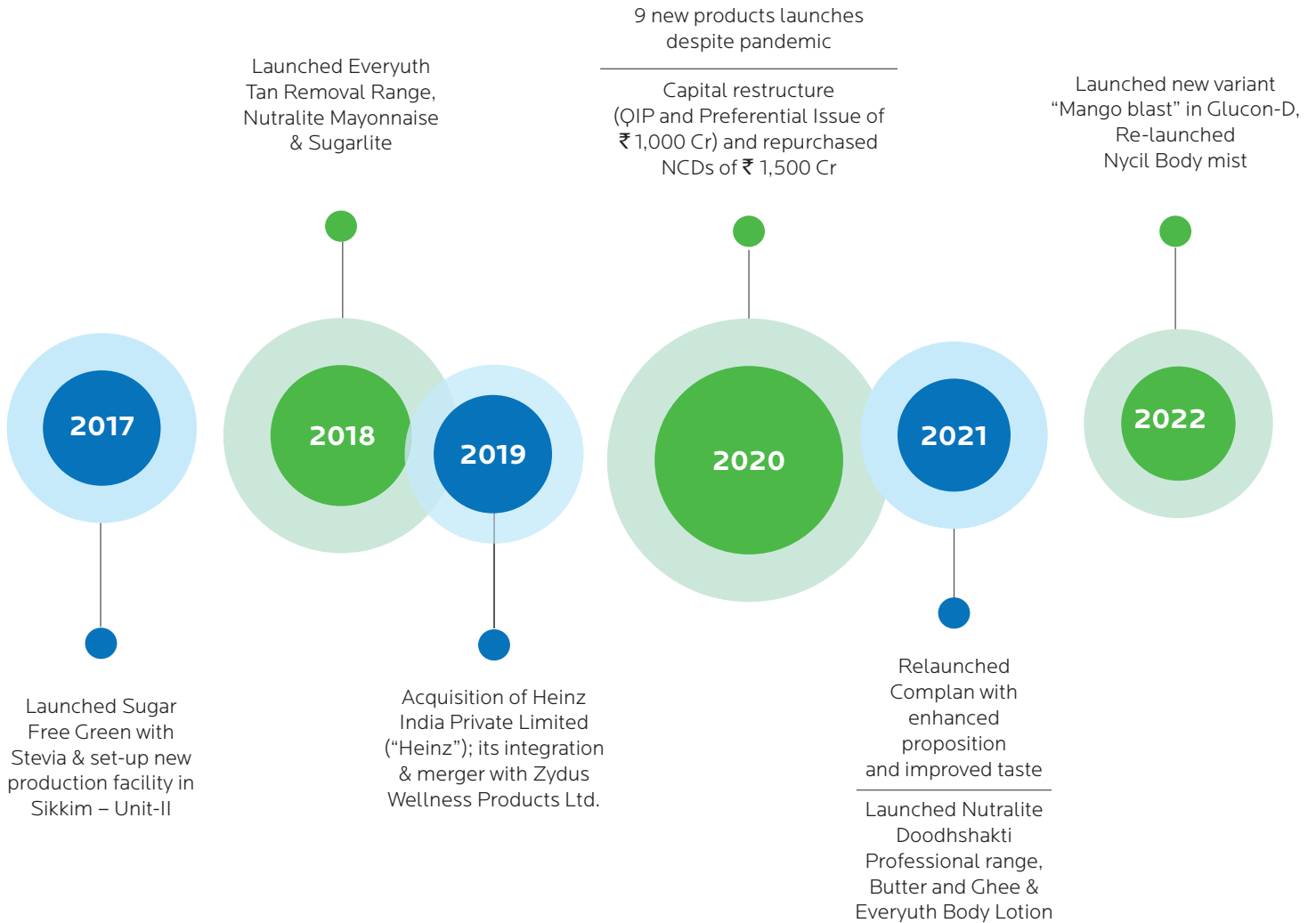
<b>66.4%</b> Promoter and Promoter Group Holding	<b>10.7%</b> Institutional Holding	<b>3.9%</b> FII Holding	<b>19.0%</b> Other Holding	<b>₹ 9,86,234</b> Market Capitalisation (₹ in Lakhs)
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# KEY MILESTONES IN OUR JOURNEY



**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 2022-23

The Company has registered a growth of 12.2% (over the previous Financial Year) in Total Revenue from operations which stood at ₹ 2,25,479 lakhs. Glucon-D and Nycil reported a revival in sales aided by typical summers after two consecutive years of being impacted by the pandemic and continuous marketing support toward driving growth and recruiting new consumers. As a result, these summer season brands were able to regain pre-covid levels of sales. The year witnessed high inflationary pressure across key inputs, due to which the gross margins of the Company contracted during the first three quarters of the Financial Year. However, with appropriate price increases across the portfolio and inflation-stabilizing for crucial inputs (except for milk) in the latter half of the Financial Year, the Company has gradually recovered its gross margin by the end of quarter four. The Company reported a Gross margin of 48.9% of net sales for the year 2023. The elevated inflation levels impacted consumer demands, and the consumers downtraded towards lower price products, especially in the rural areas, during the Financial Year. Demand in urban areas started to improve in the second half of the Financial Year, while rural demand remained muted.

EBIDTA de-grew by 2.2% Y-O-Y to ₹ 33,715 Lakhs

Reported Net profit was up by **0.5%** Y-O-Y at ₹ **31,037** Lakhs

Adjusting for exceptional items, the Net profit was up by **3.7%** Y-O-Y at ₹ **32,042** Lakhs

## MARGINS ARE IN TOP QUARTILE OF THE FMCG SPACE

**15.0**

EBITDA Margin (%) FY23

**13.8**

PAT Margin (%) FY23

**14.2**

Adjusted PAT Margin (%) FY23

## FINANCIAL STRENGTH

**[19.1]**

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

**[16.7]**

EBITDA Growth (%) [15-year CAGR]

**[20.4]**

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



## BRAND PERFORMANCE

Glucon-D brand continues to maintain its **number one position**, with a market share of **60.1%** in the Glucose Powder category

Complan market share stood at **4.5%** in the Health Food Drinks (HFD) category

Sugar Free continues to maintain its leadership with a market share of **96%**

Nycil has maintained its **number one position** with a market share of **35.4%** in the Prickly Heat Powder category

Everyuth Scrub continues to maintain its **leadership position** with a market share of **41.9%** in the Facial Scrub category, which is an increase of 68 basis points over the same period last year

Everyuth Peel-Off has maintained its **number one position** with a market share of **78.4%** in the Peel-Off category

Everyuth brand is at **number 5 position** with a market share of **6.2%** at overall Facial Cleansing segment level

As per the MAT March'23 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



**Our portfolio of iconic brands has made a name for themselves by combining ‘what’s needed’ with ‘what’s good for you’- making your childhood years, your daily life, your morning cup of coffee, your food on the table, your daily life and everything that goes with it - come alive with the touch of wellness.**



Dear Shareholders,

### **A renewed focus on customer experience, behaviours, and influences**

We live in a world where the pace of change is accelerating like never before. We are seeing a perceptible shift, particularly with what consumers desire, their choices, and how they wish to access them. One thing that ties many of these trends together is a focus on convenience. Consumers are increasingly willing to invest in products and services that save their time and effort and are aligned with their preferences and choices. Therefore, we are also witnessing a renewed focus on customer experience, behaviours, and influences.

### **Strengthening the long-term health and competitiveness of our iconic brands**

In the past few years, there have been several challenges on the operational front. Due to the macroeconomic inflationary scenario, consumers continued to downtrade towards lower-priced products, especially in rural areas. Demand in urban areas started to improve in the second half of the Financial Year, while rural demand remained muted. Despite the challenges, the Company continued to strengthen its competitive positioning and market share across brands.

Zydus Wellness is continuously driving the growth of its core brands to increase the market share of its brands through innovation, leveraging distribution channels, and expanding the brand portfolio, which will also enable to grow the customer base with increased penetrations and expand the category size of the brands in which the company is a market leader. Our portfolio of iconic brands has made a name for itself by combining ‘what’s needed’ with ‘what’s good’ for you — making your childhood years, your daily life, your morning cup of coffee, your food on the table, your everyday life and everything that goes with it - come alive with the touch of wellness.

Our operational excellence and continuous improvement plans include a special focus on the consumer-facing areas of our business and optimising our sales, marketing and

customer service efforts. To support the acceleration of our growth, we will continue to be customer-centric, and become more agile, digital, and future-focused.

We are giving our teams more autonomy to drive commercial and innovation plans as they are closer to the needs and desires of consumers and can bring in novel solutions for category expansion. We will continue to leverage the efficiency and scale of our strong distribution network and respond faster to changing consumer preferences. In our supply chain, we’re developing a generation of new, digitally enabled technology platforms that will allow us to serve market demand in a better way and capitalise on sales opportunities with more speed.

We’re innovating with the aim of creating newer and better experiences for our consumers. We’re also nurturing our iconic brands through reimagined narratives and exploring new approaches to media exposure for our brands to achieve consumer connection with greater precision. As a result, the market share of our brands Glucon-D, Nycil, Sugar Free, Everyuth Scrubs, and Everyuth Peel-Off were at a five-year high (as per Nielsen). We believe the successful delivery of our strategic plan will enable us to create long-term value for our shareholders.



### **Way forward**

Identified a three-pronged strategy to expand the footprint and grow as one of the leading FMCG companies in India



**Thrust on innovation** to accelerate the growth of core brands, focusing on portfolio diversification and expansion and engaging with new consumers.



**Expanding global footprint** - Build scale by focusing on SAARC, MEA and SEA markets. The company targets an 8–10% revenue contribution from international markets over the next five years.



**Capitalising on the right opportunities** – Exploring bolt-on acquisitions at the right time and in the right space.





Creating an effective and impactful ESG governance framework to enhance our impact on society and the environment. The newly restructured CSR committee, now known as the CSR and ESG Committee, is dedicated to meeting the expectations of our stakeholders while maintaining a careful balance between environmental impact and the well-being of our consumers and society as a whole.

Our strategic choices are the foundation for balanced growth. The various initiatives taken by us during FY23, we believe, positioned us well to continue to serve the heightened needs and new behaviours of our consumers. They reinforce and build on each other, and our growth strategy will lead to balanced top-line and bottom-line growth and value creation. We believe there are abundant opportunities for growth in every segment that we compete, and we continue to deliver sustained excellence.

We believe the strength of our workforce is one of the significant contributors to our success as a company that leads with an overarching purpose. We have more empowered, agile, and accountable organisation with little overlap or redundancy, flowing to new demands, and seamlessly supporting each other to drive our goals.

As part of our long-term approach, we will focus on operational excellence, reducing our company's environmental footprint, and promoting ethical and responsible business practices. Our goal is to lead the future by offering the right choices for the consumer that help them make the right choices for their health and well-being. Convenience and offering unique choices are both opportunities that we look to build on. We are constantly raising the bar to offer our customers more. We're continuously strengthening our iconic brands' long-term health, extending our competitiveness in each segment to build our business. We aim to deliver differentiated products and nourish life's moments that consumers can feel good about. We remain committed to driving longstanding and enduring positive change in wellness.

We would like to thank our employees, consumers, partners and shareholders for their unstinted support and contributions in our endeavours.

**Dr. Sharvil P. Patel**  
Chairman

# FLAGSHIP BRANDS



\*Creative visualization. Glucon-D does not contain any fruits. Fruits are for creative depiction. \*Contains Glucose. Glucose is an instant source of energy. \*Vitamin C helps support immunity. Glucon-D flavour variants are a rich source of Vitamin C. It contributes to min. 30% of Adult RDA of Vitamin C per serve, when prepared according to the label instruction. Vitamin D helps support immunity. \*Glucon-D regular is a rich source of Vitamin D. Per Serve Vitamin D contribution: 26% of Adult RDA (ICMR-2010). Refer individual pack for more information. #Registered Trademark.

## GLUCON-D

Glucose-based beverage available in powder form

Positioned as an effective energy booster

Category-leading brand with more than 99% product recall

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

## Highlights, FY 2022-23

The Company continued marketing efforts to drive the brand's growth and recruit new consumers. As a result, the brand witnessed robust growth during the Financial Year and re-gained sales back to pre-covid levels.

Continued focus on innovations and launched extensions like sachets, kachha mango under Immunovolts, and mango under flavoured glucose powder during the Financial Year.

The Glucose powder category has grown by 10.7%. Glucon-D the brand continues to maintain its number one position with a market share of 60.1% as per MAT March 2023 report of Nielsen, which is an increase of One hundred fifty-nine basis points over the same period last year.



\*Refers to Vitamin C, Vitamin D2, Zinc that helps support immunity MDA (CMR-2010) contribution Per Serve (Sg): (i) Vitamin C:100% (ii) Vitamin D2:100% (iii) Zinc:100% (For 7-9 years Children). Not for children below the age of 3 years. Do not exceed the recommended daily usage, refer pack. Health supplement is not to be used as a substitute for varied diet. NOT FOR MEDICAL USE. #CreativeVisualization

## COMPLAN

Trusted heritage brand of 80+ years with 90% brand recall

Milk-Based Health Food Drink

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



### Highlights, FY 2022-23

The Health Foods Drink Category has witnessed a slowdown during the Financial Year, and the brand's performance reflects the same. As the category has seen a shift in trends from refill packs and jars to sachets and pouches, the brand has been able to intervene timely and enjoy a more expansive market play with category parity packs.

The Brand got support through 360-degree campaigns throughout the year across all mediums of TV, print, digital and influencer marketing campaigns.

The Health Food Drink (HFD) category has de-grown by 1.1 percent at MAT level. Complan market share stood at 4.5% in the category as per MAT March 2023 report of Nielsen.



Dairy Based Beverage Mts (1.1.2) (Proprietary Food).



## SUGAR FREE

**Household name; India's first sugar substitute**

**Undisputed category leadership**

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

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

### 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 21.

## SUGARLITE

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



## Highlights, FY 2022-23

### On Sweeteners front,

The overall sweeteners portfolio registered a flattish growth during the Financial Year. However the portfolio posted a high single-digit growth on a three-year CAGR basis.

The Company continued to build Sugar Free Green franchise with aggressive media campaigns with celebrity brand ambassador Ms. Katrina Kaif throughout the year.

Sugar Free continues to maintain its leadership with a market share of 96 percent as per MAT March'23 report of IQVIA.





## NYCIL

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



**SOOTHE YOUR SKIN FROM PRICKLY HEAT**

\*Based on Clinical Study done in 2018. \* Registered Trademark. Pictures and graphics are for creative visualization only. Refer pack for more details.

### Highlights, FY 2022-23

With a good summer season, the Nycil brand has witnessed a strong comeback for the Financial Year.

The Prickly Heat Powder category has grown by 13.4 percent at MAT level. Nycil has maintained its number one position with a market share of 35.4% in the Prickly Heat Powder category. It is an increase of 157 basis points over the same period last year as per MAT March 2023 report of Nielsen.





## EVERYUTH

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, sun protection

### Highlights, FY 2022-23

Everyuth brand continues to outpace category growth during the Financial Year.

We continue to support our core portfolio of face wash, scrubs, peel-off and body lotions through TV and digital campaigns throughout the year.

The Face Scrub category has registered a growth of 9.1% at MAT level. Everyuth Scrub continues to maintain its leadership position with a market share of 41.9 percent in the Facial Scrub category, which is an increase of 68 basis points over the same period last year as per MAT March 2023 report of Nielsen.

The Peel Off category has registered a growth of 4.5 percent at MAT level. Everyuth Peel Off has maintained its number one position with a market share of 78.4% in Peel Off. It is an increase of 7 basis points over the same period last year as per MAT March 2023 report of Nielsen.

Everyuth brand is at the number 5 position with a market share of 6.2% at overall facial cleansing segment level as per MAT March 2023 report of Nielsen.



# NUTRALITE

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

Forayed into Dairy segment with the launch of Nutralite Doodhshakti range of Ghee and Butter



## Highlights, FY 2022-23

Nutralite brand has delivered robust growth for the Financial Year backed by well-planned digital and on-ground activations.



# AWARDS AND RECOGNITIONS

## Manufacturing Awards

Aligarh



Sikkim



Ahmedabad



## Most Preferred Workplace



## INDIASTAR 2022 Packaging Awards



## Excellence in Global Supply Chain Solutions

Awarded at 14<sup>th</sup> Express Logistics & Supply Chain Solutions Leadership Awards



### Small Budget Campaign on social media platforms



Awarded at  
ET Brand Equity SPOTT Award



**Silver** - Best Integrated Campaign

**Bronze** - Best Social Media Campaign



Awarded at E4M health marcom



### Campaign – Baccho Ka Khel

**Silver** – Content Marketing

**Silver** – Best Use of Video

**Bronze** – Best use of Social Media



ADGULLY

**DIGIX X**  
SUMMIT | AWARDS

### Small Budget Digital Marketing Campaign



### Gold Award Best Use of Content Marketing



# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY OVERVIEW

Global economic growth was 3.4% in the year 2022 after 6.1% in the year 2021. After a robust economic recovery from the pandemic, global growth was impacted by the supply and trade disruptions triggered by the war in Ukraine, surging inflation, and rising interest rates.

According to IMF's World Economic Outlook (April 2023), global economic growth is likely expected to bottom out at 2.8% this year, before rising modestly to 3.0% in 2024<sup>1</sup>, primarily attributable to increasing inflation. High global commodity prices and continued supply-chain disruptions from the war in Ukraine are expected to keep inflation levels elevated, the brunt of which will be more visible in advanced economies growth rates. However, the impact of continuous monetary policy tightening should start to bear fruit resulting in a global inflation forecast of 7.0% in the year 2023 and 4.9% in the year 2024<sup>1</sup>.

While fears about global food supplies remain high amid continued risks to grain exports from Russia and Ukraine, global trade is also expected to slow sharply alongside global growth. Given already weak global growth, a combination of sharper monetary policy tightening, and financial stress could result in a more pronounced slowdown globally.

(1) IMF - World Economic Outlook, April 2023

## INDIA ECONOMY OVERVIEW

The Indian economy reported an attractive recovery in 2022, supported by prudent monetary and fiscal policies and comprehensive vaccine coverage, emerging as one of the fastest-growing economies in the world. India's exports during the first three quarters of the Financial Year 2022-23 have performed relatively better than most emerging markets, reflecting the limited impact of global activities on the Indian economy<sup>2</sup>.

Economic growth had lost momentum over the summer due to erratic rainfall, which impacted the sowing activities, and falling purchasing power. While consumers have been more economical with their non-essential spending due to rising food and energy prices, concerns regarding demand conditions are significant in the services and infrastructure sectors.

For India, rising interest rates, declining but still high inflation and geopolitical volatility remain the primary threats for the upcoming fiscal year, and they will put the domestic demand's resiliency to the test. The slowdown in advanced economies and geopolitical tensions will impact exports, limiting household consumption and delaying investment as financing costs increase.

India has registered GDP growth of 6.1% in the fourth quarter of the Financial Year 2022-23, compared to 4.4% growth rate registered in the third quarter. Overall, the GDP growth in Financial Year 2022-23 is better than expected at 7.2%. It is anticipated that the same will decelerate in the following quarters of Financial Year 2023-24 due to moderation of demand and tighter financial conditions. It will register GDP growth of 5.7%<sup>3</sup> in Financial Year 2023-24. Supply chain diversification will also boost investments and growth by lowering imports and increasing export potential via Performance Linked Incentive.

(2) India Development Update, World Bank Report 2023,

(3) OECD Economic Outlook, Nov 2022 & CRISIL



## FMCG SECTOR OVERVIEW

Indian FMCG sector witnessed valuable growth during the first half of the year, while the growth moderated in the second half of 2022 as the continued double-digit price increase resulted in a consumption slowdown. Higher inflation levels due to disruption in supply chains and cost inflation in essential commodities led to successive price increases, impacting volumes. The resulting downturn was more accentuated in rural markets compared to urban markets.

In the near term, the sector is expected to deliver positive growth driven by the highest GDP forecast in the world, price hikes around product categories, volume growth driven by the expected normal monsoon and revival in demand for discretionary products. Additionally, increasing government expenditures on infrastructure, mobility, and connectivity will help boost rural incomes, which may contribute to volume growth. India will likely be the fifth largest FMCG market by 2025 and is expected to grow at a good double-digit CAGR over the next couple of years.

## YEAR 2022-23 FOR THE COMPANY

During Financial Year 2022-23, the Company reported revenue at ₹ 2,25,479 Lakhs (+12.2% Y-O-Y). Glucon-D and Nycil reported a revival in sales aided by typical summers after two consecutive years of being impacted by the pandemic and continuous marketing support towards driving growth and recruiting new consumers. As a result, these summer season brands were able to regain pre-covid levels of sales. As the Country witnessed elevated inflation levels, the consumers continued to down trade towards lower price products, especially in the rural areas, during the Financial Year. Demand in urban areas started to improve in the second half of the Financial Year, while rural demand remained muted. The Company continued to grow the categories throughout the year across all key brands and invested in recruiting new consumers. As a result, the market share across all brands, except one, was at five year high, as reported by Nielsen.

The Company witnessed high inflationary pressure across key inputs due to which the gross margins of the Company contracted during the first three quarters of the Financial Year. However, with appropriate price increases taken across portfolios and inflation getting stabilized for key inputs except for milk in the latter half of the Financial Year, the Company has been able to recover the gross margin and reported a gross margin on net sales of 50.6 percent during quarter four of the Financial Year, which is an increase of 10 basis points on a Y-O-Year basis. The Company reported a Gross margin at 48.9% of net Financial Year 2022-23 sales.

The Company continued to be the leader in five out of the six categories it operates in. The Company continues to strengthen its 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 has over 5 crores consumers, a testament to brands engraved in consumers' daily needs and shopping baskets.



### The company continued to deliver on the three key pillars that supported growth during 2022-23:

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

- The company continued to support the growth of existing and new products with marketing initiatives and expansion of the distribution network.

#### Glucon-D: Strong comeback with good summer season

- Driving daily relevance of the brand as “Energy Drinks”.
- Launched sachets in select cities supported through a digital campaign.
- Launched new variants like Mango – in flavour and Kachha Mango – for Immunovolts.

#### Complan: Supporting brand with activations and focused communication

- Continued to support the brand with a campaign highlighting superior nutrition with the highest protein in the segment.
- Building nutritional differentiation in the communication.
- Focused interventions through the launch of sachets and pouches along with activations to drive distribution and build volume growth.

#### Nycil: Witnessing strong traction

- Repositioned with new packaging to highlight the “coolness factor” and brand campaigns highlighting “Ghamoriyon ki Chutti”.
- Re-launched new variant Body mist – a water-based product with same cooling and prickly heat solution as talc.

#### Sweeteners: Driven by the natural variant of Sugar Free Green

- Sugar Free Green and Sugarlite contribute to ~14% of the sweeteners business.
- Continued to promote the stevia-based Sugar Free Green variant through thematic communication of Fitness Ka Pehla Kadam with celebrity, Katrina Kaif, and various social media digital initiatives for Sugar Free brand.

#### Nutralite: Robust growth in the Dairy portfolio

- Nutralite Doodhshakti dairy portfolio delivering solid double-digit growth.
- Focused celebrity engagements with Shilpa Shetty and Chef Sanjeev Kapoor to drive growth for Doodhshakti butter portfolio.
- Well-planned digital and print media campaigns along with on-ground activations.

#### Everyuth – Growing faster than the category

- With focused support across core portfolio of face wash, scrubs, peel-off and body lotions through TV and digital campaigns during the year, the brand outpaced the category growth during the financial year.

#### B. Build International Presence:

- The Company aims to build scale in international business by focusing on key regions like SAARC, MEA and SEA, entering new geographies, and introducing suitable innovations and extensions catering to the needs of international markets. The Company targets ~8-10% revenue contribution from global markets over the next five years.
- The Company also operationalized its subsidiary in Bangladesh, i.e., Zydus Wellness BD Pvt Limited, which will help further expand its presence in the Indian subcontinent.

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

- The Company has taken various initiatives to increase its consumer base and improve profitability.
- As a part of the Company’s endeavour to mitigate the risk and ensure business continuity in unprecedented situations; the Company revisited its manufacturing footprint focused on redistributing the manufacturing of the same product in different geographies. To have leaner operations, that are closer to the consumers which was one of the key objectives of Transformation 2.0, the Company ceased the operations of the Sitarganj plant in the Financial Year. The Company has incurred a one-off expenditure of ₹ 1005 lakhs on account of the same during the Financial Year. The current and recurring savings in operational costs on account of the cessation of the Sitarganj plant will more than outweigh these one-time expenses.
- As significant number of consumers continue to shift towards modern trade and e-commerce platforms due to the increasing role of digital and social media impacting consumer’s shopping behaviour, the Company was ready to leverage changing shopper behavior by investing in building a stronger presence in organised trade and efficient spending on visibility and promotions. As a result, the organised channels (modern trade and E-commerce) revenue contribution as a percentage of total revenue has increased from 14.5 percent in FY20 to 17.5 percent in FY 22 and 19.6 percent in FY 23.
- The year also witnessed a significant milestone with overall availability of Zydus Wellness products crossing 25 lakhs stores with an equal split between urban and rural distribution, and the Company plans to take the same at 30 lakhs. stores in the future. The direct reach expansion across sub-channels crossed 6 lakhs stores. The Company plans to cross 7 lakhs stores in Financial Year 2023-24.
- As a part of the continuous journey towards building a future-ready digital backbone to support growth, the Company is implementing dashboards of key KPIs to enable real-time decision-making.
- The Company continued its effort to drive growth by recruiting new consumers through launching new innovations and extensions, leveraging distribution channels and expanding the brand portfolio. This enabled the company to increase overall penetration of its key brands. For example, Complan Household Penetration grew by 11.4%, Glucon-D Household Penetration grew by 32%, Nycil Household Penetration grew by 51% as per Kantar World Panel Report as on MAT March 2023.





## FINANCIAL REVIEW

### Consolidated financial highlights

(In ₹ Lakhs)

Parameters	FY 2022-23	FY 2021-22	Growth (%)
Net Sales	2,24,261	1,98,846	12.8%
Total Income from Operations	2,25,479	2,00,910	12.2%
EBITDA	33,715	34,475	-2.2%
EBITDA Margin (%)	15.0%	17.2%	
Profit Before Tax (before exceptional items)	30,091	30,602	-1.7%
PBT Margin (%)	13.3%	15.2%	
Net Profit	31,037	30,887	0.5%
Net Profit Margin (%)	13.8%	15.4%	
Adjusted Net Profit*	32,042	30,887	3.7%

\*Excluding exceptional items

#### Profits and Margins –

The EBITDA (Earnings before Interest, Depreciation, Taxation, and Amortization) de-grew by 2.2% to ₹ 33,715 lakhs from ₹ 34,475 lakhs last year. The Company registered a 15% EBITDA margin. The main reasons for the decline in EBITDA margins are a reduction in gross margin due to the higher cost of crucial inputs, partially offset by price increases across the portfolio and other expenses due to high inflation in alternative fuel and labour costs and increasing manufacturing expenses. The reported net profit stood at ₹ 31,037 lakhs. The Company registered an annual growth of 3.7% in adjusted net profit.

#### Net Worth and Capital Employed –

As on March 31, 2023, the total net worth was ₹ 5,12,265 lakhs, higher by 5.8% from the previous year. The return on equity (ROE = Net profit / Equity) stood at 6.1% during the year. Return on Capital Employed (ROCE = Earnings before interest net of tax / CE) stood at 6.4% during the year.

#### Debt –

During Financial Year 2022-23, the Company further reduced its debt (net of borrowings) by repaying the loan of ₹ 8,900 lakhs. The consolidated debt of the Company as on March 31, 2023 was at ₹ 29,250 lakhs, against ₹ 38,150 lakhs last year. The company's net debt position as on March 31, 2023, was ₹ 18,435 lakhs. The Net debt-equity ratio was 0.06 as on March 31, 2023 as against 0.08 as on March 31, 2022.

#### Capital Expenditure –

The Company has incurred a capital expenditure of ₹ 4,889 lakhs in Financial Year 2022-23.

#### Other Key Ratio –

The Company's current ratio (considering current / short term debt and excl. non-current assets) as on March 31, 2023 stood at 1.31 against 1.06 last year. Debtor's turnover ratio (in days) as on March 31, 2023 stood at 33.6 days as against 25.9 days last year, due to mix of one-off's and structural shift in the business model. The Inventory turnover ratio (in days) as on March 31, 2023 stood at 74.1 days as against 65.7 days last year, due to the strategic built-up of inventory.



## STAKEHOLDER ENGAGEMENT

The Company actively manages a range of key stakeholder relationships and strives to ensure open, honest, and constructive communication to ensure development of the business following a 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 have been taken in this regard –

- Ensuring employee-friendly workplace that promotes employees' interests in delivering short-term and long-term business objectives.
- Foster a physically and mentally safe workplace with the help of policies (POSH), applications (REACHOUT) and through formal and informal communication channels. The REACHOUT section integrated into Wellness Touch (Internal HRMS Portal) is the primary channel for grievance redressal.
- Cater to employees' health and well-being through VISIT, a wellness application.
- Ensure fairness and integrity towards employees through a competitive yet equitable rewards system that is regularly audited and benchmarked to market standards.
- Fair performance recognition through the performance management system, PEAK, established on the pillars of meritocracy, collaboration, and execution excellence.
- Offer growth opportunities through central capabilities initiatives under Zydus Wellness Academy. The Company designs customized individual development plans for managerial employees through a talent management process and bi-annual talent assessments.
- A good working environment is key to attracting and retaining the best talents. Employee development and training programs are central to elevating our employees' experience at our Company. They enable us to work towards our Company's vision of creating new experiences through our products that nourish, nurture, and energize everyone's life. It is a testament to our efforts that the Company has been recognized as a **“Great Place to Work”**.

#### B. Shareholders and Investors –

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

- Quarterly investor conference calls with analysts / institutional investors.
- Hosting Investor presentations, publishing earnings call transcripts and audio recordings of the call on the website of the Company and the stock exchanges.
- Conducting Annual General Meeting and publishing Annual Report on the website of the Company and the stock exchanges.
- Publication of Press releases on the 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 the newspaper.
- Separate section for investors on the website of the Company in line with regulatory requirements.
- Addressing investor grievances by the Stakeholders' / Investors' Relationship Committee comprised of Independent and Non-Executive Directors.
- Practicing robust corporate governance.

#### C. Consumers –

The heart of the 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 based on prior validation from the 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 using the latest science.
- Driving value by consistently challenging cost structures.
- Providing prompt feedback to consumer queries and grievances.
- Enabling free trials of the new products through different online and 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 organised by the government and industry associations.

### E. Suppliers & Vendors –

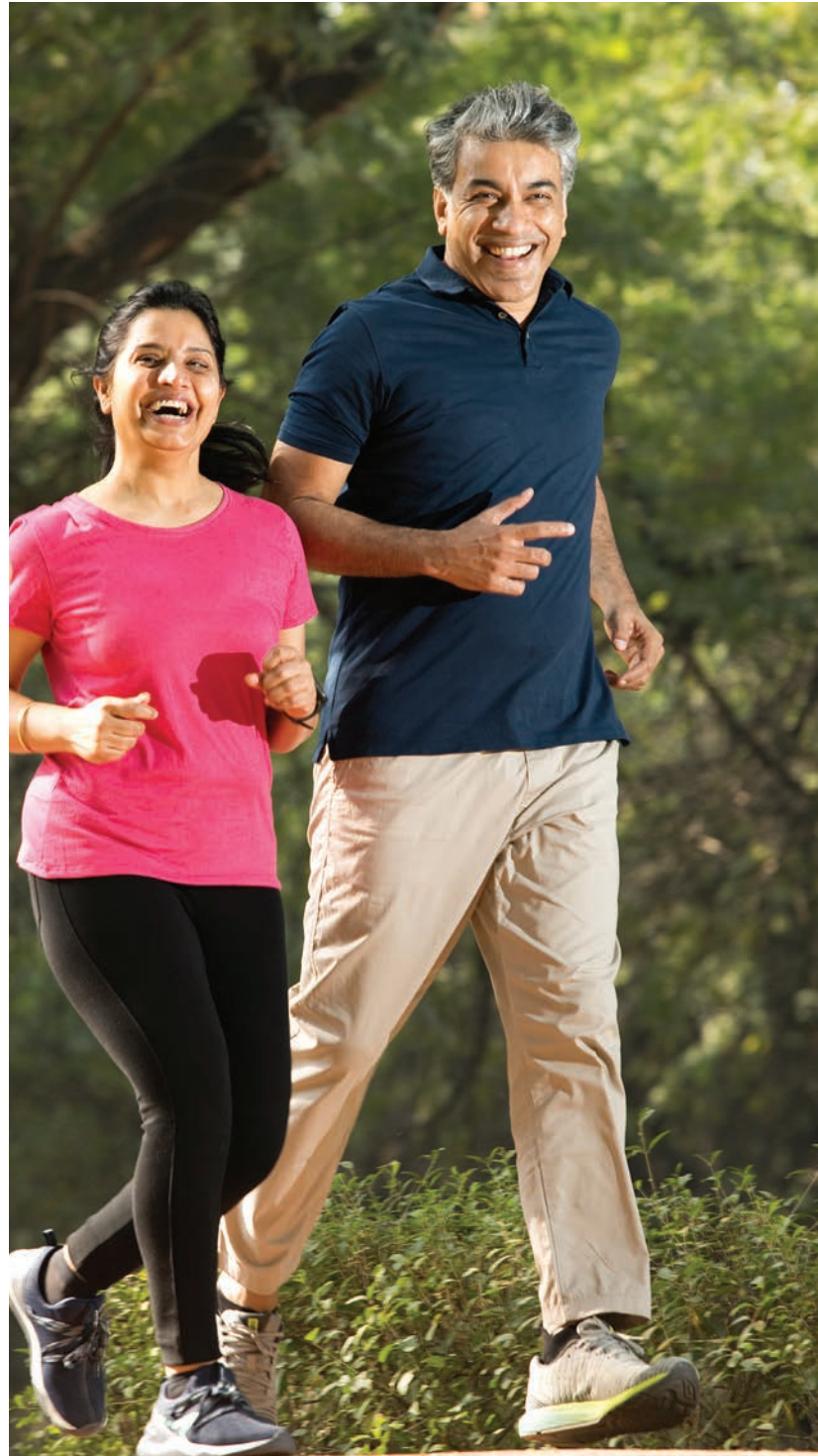
The Company supports the suppliers and vendors by -

- Organizing dairy camps with farmers.
- Educating them and distributing mineral mixture and deworming tablets for better health of animals.
- Continuous connection (virtual and physical) with critical suppliers to ensure supplies in VUCA (volatile, uncertain, complex, ambiguous) world.
- Fair contracts and collaborative 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 environmental and sustainability improvement initiatives (energy, water, waste reduction).
- Participating in working groups, events, conferences, and community development activities.



## RISKS

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

The Company's business comprises of the 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 enters long-term contracts, wherever feasible, to minimize the risk of fluctuations in the input prices. The Company also has 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 and new entrants remain 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 the competition. The Company supplies its products in both retail as well as institutional segments. Both segments have their 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 behaviour-

- The 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 due to consumer behaviour shifts.

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

- The Company is expected to maintain high quality standards for its products, manufacturing, and supply chain processes as it operates in the consumer health and wellness industry. 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, manufacturing facility compliance standards, and self-inspection, are also implemented. A 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 the values its products offer. The Company always strives to ensure the highest quality standard for its products and processes and continuously works to improve that quality. It also maintains a high level of accuracy in product claims. Having 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 for its intellectual property 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.

#### Under Penetration of Category –

- The Company is continuously investing in developing its brands and the category it operates in. Some of the categories in which the Company operates are currently under-penetrated, posing a risk for Company's aspiration and growth strategy. 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 the business of some brands like Glucon-D and Nycil, which largely depend on the onset of a good summer season in India. The 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 a 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 worldwide 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, labour 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 labour practices, always ensuring sufficient inventory, 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 significant threat to business with the increase in digitalization efforts. It 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. Critical internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed toward attaining the stated organizational objectives with optimum utilization of resources. Apart from these internal control procedures, a well-defined and established internal audit system is in operation to independently review and strengthen these control measures, which a reputed firm of chartered accountants carries out. The Company's audit committee regularly reviews the internal auditors' reports and recommends actions to improve general operations and financial controls.

### Human resources

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



# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present **Twenty Ninth** 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, 2023.

## 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, 2023 are summarized below:

₹ in Lakhs

Particulars	Standalone		Consolidated	
	For the year ended on March 31, 2023	For the year ended on March 31, 2022	For the year ended on March 31, 2023	For the year ended on March 31, 2022
Revenue from Operations and other Income	26,500	23,165	2,25,965	2,01,950
Profit before Interest, Depreciation, Amortization and Impairment expenses, exceptional item and tax	5,183	1,008	34,201	35,515
Less: Finance Costs	114	202	1,608	2,551
Less: Depreciation and amortization expenses	352	284	2,502	2,362
<b>Profit before exceptional item and tax</b>	<b>4,717</b>	<b>522</b>	<b>30,091</b>	<b>30,602</b>
Exceptional Items	-	-	1,005	-
<b>Profit Before Tax (PBT)</b>	<b>4,717</b>	<b>522</b>	<b>29,086</b>	<b>30,602</b>
Less: Tax Expenses (Credited)	(1,925)	(748)	(1,951)	(285)
<b>Profit After Tax (PAT)</b>	<b>6,642</b>	<b>1,270</b>	<b>31,037</b>	<b>30,887</b>
<b>Attributable to:</b>				
Owners of the Parent	6,642	1,270	31,037	30,887
Other Comprehensive Income/(Loss) (net of tax)	(50)	1	7	(81)
<b>Total Comprehensive Income</b>	<b>6,592</b>	<b>1,271</b>	<b>31,044</b>	<b>30,806</b>
<b>Attributable to:</b>				
Owners of the Parent	6,592	1,271	31,044	30,806
Opening balance in Retained Earnings	35,454	37,365	1,19,813	92,209
<b>Amount available for appropriation</b>	<b>42,046</b>	<b>38,636</b>	<b>1,50,845</b>	<b>1,22,995</b>
Less:				
Dividend	(3,182)	(3,182)	(3,182)	(3,182)
<b>Closing Balance in Retained Earnings</b>	<b>38,864</b>	<b>35,454</b>	<b>1,47,663</b>	<b>1,19,813</b>
Earnings Per Share (EPS) (Face Value of shares of ₹ 10/- each)				
Basic (₹) - After exceptional items	10.44	2.00	48.78	48.54
Basic (₹) - Before exceptional items	10.44	2.00	50.36	48.54
Diluted (₹) - After exceptional items	10.44	2.00	48.78	48.54
Diluted (₹) - Before exceptional items	10.44	2.00	50.36	48.54

## Results of operations:

During the year under review, the consolidated revenue from operations grew by 12.2% to ₹ 2,25,479 Lakhs (Rupees Two Lakhs Twenty Five Thousand Four Hundred Seventy Nine Lakhs only) from ₹ 2,00,910 Lakhs (Rupees Two Lakhs Nine Hundred Ten Lakhs only) in 2021-2022. The profit before tax decreased by 5.0% y-o-y to ₹ 29,086 Lakhs (Rupees Twenty Nine Thousand Eighty Six Lakhs only). Net profit after tax (before OCI) increased by 0.5% y-o-y to ₹ 31,037 Lakhs (Rupees Thirty One Thousand Thirty Seven Lakhs only). The Net Profit margin, as a % (Percentage) to total operating income during the current year is 13.8%. 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 ₹ 26,500 Lakhs (Rupees Twenty Six Thousand Five Hundred Lakhs only). The Company has incurred standalone Profit Before Tax of ₹ 4,717 Lakhs (Rupees Four Thousand Seven Hundred Seventeen Lakhs only) and Profit after Tax of ₹ 6,642 Lakhs (Rupees Six Thousand Six Hundred Forty Two Lakhs only). The EPS on standalone financials for the year ended on March 31, 2023 was ₹ 10.44 (Rupees Ten and Forty Four 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, 2023, amounting to ₹ 3,182 Lakhs (Rupees Three Thousand One Hundred Eighty Two Lakhs only). The dividend, if declared by the members at the ensuing Annual General Meeting ("AGM"), will be paid to those Members whose names stand registered in the Register of Members on Friday, July 21, 2023 i.e. the Record Date. In respect of shares held in dematerialized form, it will be paid to the Members whose names 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, 2023 is 10.3% of consolidated profits after tax.

In compliance of 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.

### Subsidiary companies:

The Company has 5 (five) wholly owned subsidiary companies viz. Zydus Wellness Products Limited ("**ZWPL**"), Liva Nutritions Limited, Liva Investment Limited, Zydus Wellness International DMCC, Dubai and Zydus Wellness (BD) Pvt. Limited, Bangladesh.

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.

Further, in compliance of 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.

Further, as provided in section 136 of the Act, the Audited Financial Statements of the subsidiary companies are not being attached with the Financial Statements of the Company. 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 and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company includes Financial Results of its subsidiary companies.

As provided under 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 format prescribed under the rules is attached to the Financial Statements.

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

From April 1, 2022 to May 17, 2023, in compliance with the provisions of sections 124 and 125 of the Act and Rules made thereunder, the Company has transferred-

- i. 9,901 (Nine Thousand Nine Hundred One) equity shares of ₹ 10/- (Rupees Ten only) each of 204 (Two Hundred Four) 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 advertisement in newspaper to claim their shares and
- ii. ₹ 18,69,125 (Rupees Eighteen Lakhs Sixty Nine Thousand One Hundred Twenty Five only) held by 6,109 (Six Thousand One Hundred Nine) members, being the unclaimed dividend for the Financial Years ended on March 31, 2015 and March 31, 2016 to IEPF after giving three notices to the members to claim their unpaid / unclaimed dividend.

### Fixed Deposit:

The Company has not accepted 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 property, plants and equipments and inventories 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"):

MDA, for the year under review, as stipulated under the Listing Regulations, is provided in a separate section, which forms part of the Annual Report.

### Consolidated Financial Statements:

In accordance with the 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 shows the financial resources, assets, liabilities, income, profits and other details of the Company and its wholly subsidiary companies, as a single entity.

### Related Party Transactions:

All transactions entered by the Company during the Financial Year ended on March 31, 2023 with related parties were in the ordinary course of business and on an arm's length basis. All related party transactions were placed before the Audit Committee for review and approval.

The weblink of the Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is provided in a separate section in Corporate Governance Report.

As provided under section 134(3)(h) of the Act and Rules made thereunder, disclosure of particulars of material transactions (i.e. transactions exceeding ₹ 1,000 Crore (Rupees One Thousand Crore only) or 10% (ten percent) of the annual consolidated turnover as per the last Audited Financial Statements with related parties entered into by the Company in the prescribed format in Form No. AOC-2 is attached herewith as **Annexure-"A"**. Disclosures on related party transactions are set out in Note No. 37 of the Standalone Audited Financial Statements.

### Particulars of Loans, Guarantees and Investments:

Details of loans, guarantees and investments covered under section 186 of the Act are given in the notes to the Financial Statements.

### Directors and Key Managerial Personnel:

#### i. Retirement by rotation:

In accordance with the provisions of section 152(6) of the Act and in terms of the Articles of Association of the Company, Dr. Sharvil P. Patel (DIN: 00131995) will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

#### ii. Appointment of Mr. Akhil A. Monappa (DIN: 09784366) as an Independent Director ("ID") of the Company:

Based on the recommendation of Nomination and Remuneration Committee ("NRC"), the Board at its meeting held on May 17, 2023 approved appointment of Mr. Akhil A. Monappa (DIN: 09784366) as an Additional Director (Independent) of the Company with effect from May 17, 2023 till the conclusion of the ensuing AGM. The Board of the Company has recommended his appointment as an ID for the first term of 5 (five) consecutive years effective from May 17, 2023 till May 16, 2028, which shall be subject to the approval of the members by way of Special Resolution at the ensuing AGM. In the opinion of the Board, he possesses requisite expertise, integrity and experience (including proficiency) for appointment as an ID of the Company.

#### iii. Re-appointment of Ms. Dharmishtaben N. Raval (DIN: 02792246) and Mr. Srivishnu R. Nandyala (DIN: 00025063), as the IDs of the Company:

Ms. Dharmishtaben N. Raval and Mr. Srivishnu R. Nandyala were appointed as the IDs of the Company by the members on July 31, 2019 for the first term of 5 (five) consecutive years effective from March 11, 2019 upto March 10, 2024.

The Board of the Company, based on the recommendation of NRC, evaluation of the balance of skills, knowledge and experience on the Board and further, on the report of performance evaluation and subject to approval of members at the ensuing AGM, by way of special resolution, has recommended the re-appointment of Ms. Dharmishtaben N. Raval and Mr. Srivishnu R. Nandyala as the IDs of the Company, to hold office for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. March 11, 2024 upto March 10, 2029.

In the opinion of the Board, they possess requisite expertise, integrity and experience (including proficiency) for appointment as the IDs of the Company.

#### iv. Declaration of Independence:

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 an ID 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 one ID (who shall comply with the provisions within the prescribed time frame), 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.

#### v. Profile of Directors seeking appointment / re-appointment:

As required under 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, a brief resume of the Directors seeking appointment / re-appointment at the ensuing AGM, the nature of expertise in specific functional areas, names of companies in which they hold directorships, committee memberships / chairpersonships, their shareholding in the Company, etc. have been furnished in the explanatory statement to the notice convening Twenty Ninth AGM.

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

Based on the recommendation of NRC, the Board at their meeting held on July 29, 2022, appointed Mr. Nandish P. Joshi as the Company Secretary and Compliance Officer and designated as Whole-time Key Managerial Personnel of the Company effective from July 29, 2022 in place of Mr. Dhanraj P. Dagar who ceased as the Company Secretary and Compliance Officer of the Company w.e.f. May 9, 2022.

The following persons are the KMP as on March 31, 2023:

1. Mr. Tarun Arora, Chief Executive Officer (“CEO”) and Whole Time Director,
2. Mr. Umesh V. Parikh, Chief Financial Officer and
3. Mr. Nandish P. Joshi, Company Secretary and Compliance Officer (w.e.f. July 29, 2022).

**vii. 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 / Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its committees. 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 directors 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.

**viii. 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 Remuneration Policy is stated in the Corporate Governance Report, which forms a part of the Annual Report and the weblink of the same is also provided in a separate section in Corporate Governance Report.

**ix. 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 SEBI (Prohibition of Insider Trading) Regulations, 2015. Other details on insider trading regulations are provided in the Corporate Governance Report, which forms a part of the Annual Report.

**Directors’ Responsibility Statement:**

In terms 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, 2023 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 :**

4 (four) Board meetings were held during the Financial Year ended on March 31, 2023. The Board approved 3 (three) resolutions by circulation, on May 9, 2022, December 13, 2022 and March 31, 2023 respectively. 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:**

As provided in section 177(8) of the Act, 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.

**Recommendations of Committees:**

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

### Composition of other Committees:

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

### 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 their 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, 2023 and the observations and comments, appearing in the 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 Board has, on the recommendation of the Audit Committee, appointed Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) to audit the cost records of the Company for the Financial Year ending on March 31, 2024 at a remuneration of ₹ 3.21 Lakhs (Rupees Three Lakhs Twenty One Thousand only) plus applicable Goods and Services Tax and out of pocket expenses at actuals, if any.

As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditor is required to be placed before the Members at General Meeting for ratification. Accordingly, a resolution seeking ratification of the remuneration payable to Dalwadi & Associates, Cost Accountants, by the members is included at Item No. 8 of the Notice convening Twenty Ninth AGM.

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

Pursuant to provisions of section 204 of the Act and rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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, 2023. The Secretarial Audit Report is attached 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 do not call for any further explanation / clarification by the Board in their Report as provided under section 134(3)(f) of the Act.

Further, as per 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, 2023. The report was placed before the Board meeting held on May 17, 2023, which confirmed that the Company has maintained proper records as stipulated under various Rules and Regulations and that, no action has been taken against the Company or its material subsidiary or promoters / directors by The Securities Exchange Board of India / BSE Limited / National Stock Exchange of India Limited.

### Cost Accounts and Records:

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

### 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 Institute of Company Secretaries of India.

### Business Responsibility and Sustainability Report:

Pursuant to the provisions of regulation 34(2)(f) of the Listing Regulations, Business Responsibility and Sustainability Report forms a part of the Annual Report.

### Corporate Social Responsibility (“CSR”):

Pursuant to the provisions of section 135 of the Act and rule 5 of The Companies (Corporate Social Responsibility Policy) Rules, 2014 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. Savyasachi S. Sengupta. During the year under review, the nomenclature of the Committee was changed to "CSR and ESG Committee" and terms of reference of the Committee were amended to include the scope of ESG. A CSR Policy has been framed and adopted by the Board and the same is uploaded on the website of the Company.

As the average net profits of the company calculated as per section 198 of the Act was negative, no contribution towards CSR was required to be made for the Financial Year ended on March 31, 2023. Other details on CSR, as required under section 135 of the Act read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, are given in the Annual Report on CSR Activities in **Annexure-“C”**.

### **Business Risk Management:**

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.

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 under the Chairmanship of Dr. Sharvil P. Patel. The other members of the Committee includes Mr. Savyasachi S. Sengupta, Independent Director, Mr. Kulin S. Lalbhai, Independent Director and Mr. Umesh V. Parikh, Chief Financial Officer. The details of the Committee and its terms of reference are set out in the Corporate Governance Report, which forms a part of the Annual Report.

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:**

The Company has designed and implemented a process driven framework for Internal Financial Controls ("**IFC**") within the meaning of the explanation to section 134(5)(e) of the Act. For the Financial Year ended on March 31, 2023, 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.

### **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.

In compliance with the provisions of section 177(9) of the Act and Rules made thereunder 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 SEBI (Prohibition of Insider Trading) Regulations, 2015. 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.

#### **ii. Zydus Business Conduct 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.

### **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, 2023, the Company has not received any complaint of sexual harassment.

### Annual Return:

As per 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, 2023, in the prescribed Form No. MGT-7 is available on the website of the Company at <https://www.zyduswellness.com/investor/Form%20MGT-7.pdf>.

### Particulars of Employees:

The information required under section 197 of the Act read with rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached herewith as **Annexure-“D”**.

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

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

### General Disclosure:

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 during the Financial Year ended as on March 31, 2023.

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.

### Acknowledgement:

Your Directors place on record their sincere appreciation for the continued co-operation and support extended to the Company by the 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 17, 2023

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	Dates 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 property, plant and equipment</li> <li>• Reimbursement of expenses</li> </ul>	On-going	<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 ₹ 26,870 Lakhs (Rupees Twenty Six Thousand Eight Hundred Seventy Lakhs only)</p>	May 17, 2022, November 10, 2022 and December 13, 2022	Nil

By Order of the Board of Directors

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Date : May 17, 2023  
Place : Ahmedabad

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

**Secretarial Audit Report of Zydus Wellness Limited**

For the Financial Year ended on March 31, 2023 (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, 2023, 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, 2023 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.

**Hitesh Buch**

Proprietor  
For, Hitesh Buch & Associates  
Company Secretaries  
FCS No.: 3145; C P No.: 8195  
Peer Review Cert. No. 1265/2021  
UDIN: F003145E000320451

Date : May 17, 2023  
Place: Ahmedabad

**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.

**Hitesh Buch**

Proprietor  
For, Hitesh Buch & Associates  
Company Secretaries  
FCS No.: 3145; C P No.: 8195  
Peer Review Cert. No. 1265/2021  
UDIN: F003145E000320451

Date : May 17, 2023  
Place: Ahmedabad



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

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

For the Financial Year ended March 31, 2023 (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, 2023, 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, 2023 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 at least 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 is 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 following events / actions took place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above more specifically related to:

- (a) The Company has closed the manufacturing facility located at Sitarganj, Uttarakhand.

**Hitesh Buch**

Proprietor  
For, Hitesh Buch & Associates  
Company Secretaries  
FCS No.: 3145; C P No.: 8195  
Peer Review Cert. No. 1265/2021  
UDIN: F003145E000313851

Date : May 16, 2023  
Place : Ahmedabad

**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 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.

**Hitesh Buch**

Proprietor  
For, Hitesh Buch & Associates  
Company Secretaries  
FCS No.: 3145; C P No.: 8195  
Peer Review Cert. No. 1265/2021  
UDIN: F003145E000313851

Date : May 16, 2023  
Place : Ahmedabad

## 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. Ganesh N. Nayak	Member of CSR and ESG Committee, Non-Executive Director	1	1
3	Mr. Savyasachi S. Sengupta	Member of CSR and ESG Committee, Independent Director	1	1

## 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.zyduwellness.com/investor/Committee-of-the-Board.pdf>

CSR Policy: <https://www.zyduwellness.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, 2023 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): ₹ (8,560) Lakhs (Rupees Eight Thousand Five Hundred Sixty Lakhs only).
  - (b) Two percent of average net profit of the company as per section 135(5): ₹ (171) Lakhs (Rupees One Hundred Seventy One Lakhs 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
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 ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	(171) Lakhs
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the Financial Year ((i)-(ii))	-
(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))	-

**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 reporting 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]	Pincode 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)
(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 17, 2023

Place : Ahmedabad

**Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Date : May 17, 2023

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	1.48
Mr. Tarun Arora	23.23
Mr. Ganesh N. Nayak	2.22
Mr. Savyasachi S. Sengupta	3.52
Ms. Dharmishtaben N. Raval	2.59
Mr. Srivishnu R. Nandyala	3.15
Mr. Kulin S. Lalbhai	3.15
Mr. Ashish P. Bhargava	Not applicable, as no remuneration was paid

- 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	14.3%
Mr. Tarun Arora	6.7%
Mr. Ganesh N. Nayak	9.1%
Mr. Savyasachi S. Sengupta	0.0%
Ms. Dharmishtaben N. Raval	0.0%
Mr. Srivishnu R. Nandyala	13.3%
Mr. Kulin S. Lalbhai	30.8%
Mr. Ashish P. Bhargava	Not applicable, as no remuneration was paid
Mr. Umesh V. Parikh, Chief Financial Officer	11.2%
Mr. Dhanraj P. Dagar, Company Secretary*	Not applicable, as resigned during the financial year
Mr. Nandish P. Joshi, Company Secretary**	Not applicable, as appointed during the financial year

\* Resigned w.e.f. the close of the business hours of May 9, 2022.

\*\* Appointed w.e.f. July 29, 2022.

- c. The percentage decrease in the median remuneration of employees in the Financial Year was 9.3%.
- d. There were 975 permanent employees on the roll of the Company (including employees of subsidiaries) as on March 31, 2023.
- e. The consolidated profit before tax, for the Financial Year ended on March 31, 2023 decreased by 5.0% and the average increase in remuneration of employees was 10.0%.
- f. The consolidated profits before tax for the Financial Year ended on March 31, 2023 decreased by 5.0% and the remuneration of Key Managerial Personnel, viz. (1) Mr. Tarun Arora, CEO & Whole Time Director and (2) Mr. Umesh V. Parikh, Chief Financial Officer increased by 6.7% and 11.2% respectively. Mr. Nandish P. Joshi was appointed as the Company Secretary effective from July 29, 2022 and hence he was not eligible for increase in remuneration during the year under review.
- g. The average annual increase in the salaries of the employees, other than managerial personnel was 10.0%, whereas the weighted average increase in the managerial remuneration was 8.9% for the Financial Year ended on March 31, 2023. 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 IDs within the ceiling of 1% of the Net Profits of the Company, subject to maximum of ₹ 150 Lakhs (Rupees One Hundred Fifty Lakhs only) in aggregate, as computed under the applicable provisions of the Act. The said commission is decided each year by the Board and distributed amongst the IDs. The Board, based on the performance of the Company and on the recommendation of NRC, has approved payment of Commission of ₹ 5 Lakhs (Rupees Five Lakhs only) to each ID.

- i.** There was no employee receiving remuneration higher than the highest paid Director during the Financial Year ended on March 31, 2023.
- j.** The Company affirms remuneration 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 17, 2023

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	<p>a. Due to digitalization of all fat spread lines:</p> <p>i. Saving of electricity by 11.3%.</p> <p>ii. Improvement in productivity (volume increased by 16.9%).</p> <p>iii. Real time data monitoring for manufacturing and packing.</p> <p>iv. 0.4% improvement in product yield.</p> <p>b. Water usage optimization by installing ultrafiltration and reverse osmosis system for effluent treatment plant discharge.</p>
2. Steps taken for utilization of alternate sources of energy	Nil
3. Capital Investment on energy conservation equipments	₹ 89.90 Lakhs (Rupees Eighty Nine Lakhs Ninety Thousand only)

### B. Technology absorption:

1. Efforts made towards technology absorption	<p>a. Digitalization of the all fat spread lines to monitor – Productivity, overall equipment effectiveness and real time data.</p> <p>b. CCTV upgradation from Analog to Digital cameras with 30 days backup plan.</p> <p>c. Glucon-D manufacturing system upgraded from manual to screw conveying.</p>
2. Benefits derived	<p>a. Diesel saving – 7400 litre/year.</p> <p>b. Improvement in energy index by 11.3%.</p> <p>c. Improvement in manpower index by 13.2%.</p>
3. Details of technology imported in last three years	
a. Details of technology imported	Chocolate plant – Ball mill installed in place of traditional 5-ball refiner.
b. Year of import	2020
c. Whether the technology been fully absorbed	Yes
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not applicable
4. Expenditure incurred on Research and Development	₹ 335 Lakhs (Rupees Three Hundred Thirty Five Lakhs only)

### C. Foreign exchange earnings and outgo:

During the Financial Year ended March 31, 2023, the foreign exchange earned in terms of actual inflows was ₹ 206 Lakhs (Rupees Two Hundred Six Lakhs only), whereas the foreign exchange in terms of actual outflows was ₹ 93 Lakhs (Rupees Ninety Three Lakhs only).

By Order of the Board of Directors

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Date : May 17, 2023

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. We have, therefore, 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:

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, 2023, 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 finance, taxation, information technology,

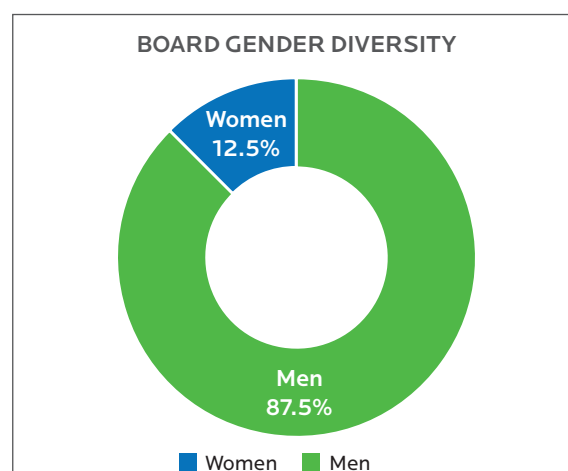
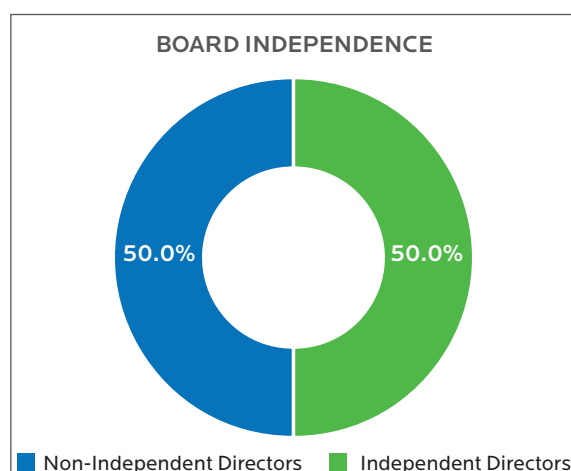


sustainability and Environment, Social and Governance (“ESG”), legal and Industry. Thus, the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise and enable the Board to discharge its responsibilities and provide effective leadership to the business.

**Various details of the Board and its Committees are provided in the below table as at March 31, 2023:**

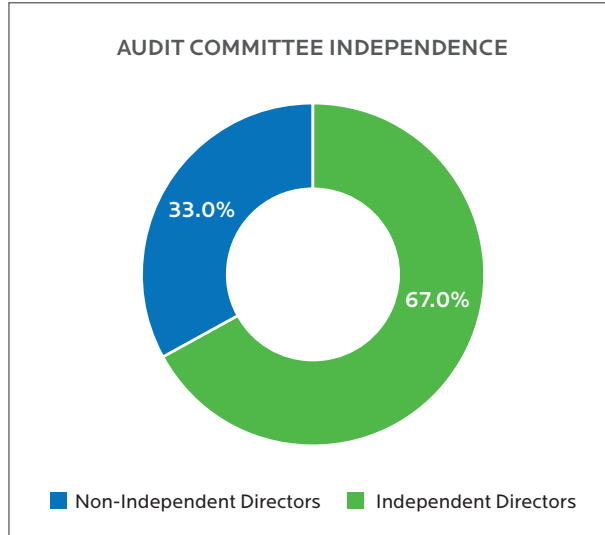
<b>Board Composition</b>	
<b>Board size</b>	8
Non-Independent Directors	4
Independent Directors	4
<b>Gender Diversity</b>	
Women	12.5%
Men	87.5%
Average Age	55 years
Average Board Tenure	8 years
Average Tenure – Independent Directors	5 years
Number of Board Meetings	4
Board Attendance %	90.6%
Number of Committee Meetings	43
Committee Attendance %	80.0%
<b>Age Diversity</b>	
30-39	12.5%
40-49	25.0%
50-59	25.0%
60-69	37.5%
<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> )

Mr. Akhil A. Monappa was appointed as an Additional Director (Independent) of the Company w.e.f. May 17, 2023 for the first term of 5 (five) consecutive years, subject to approval of members by way of a special resolution at the ensuing AGM.



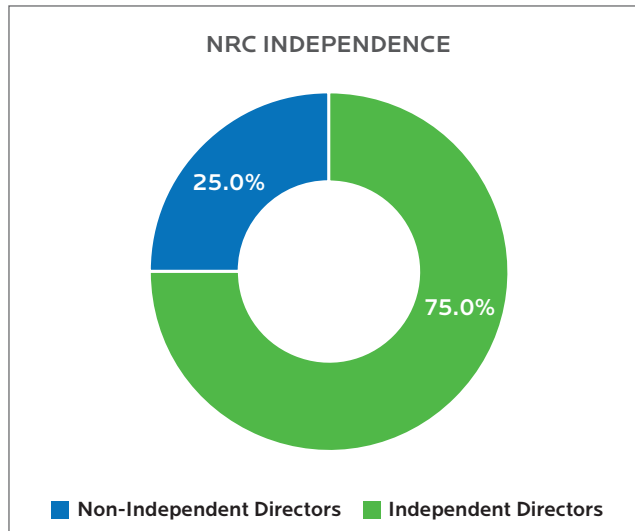
**Audit Committee Independence**

Non-Independent Directors	33.0%
Independent Directors	67.0%



**NRC Independence**

Non-Independent Directors	25.0%
Independent Directors	75.0%



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 and in compliance with 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 fulfil the conditions of independence specified in the Listing Regulations and are independent of the management of the Company.

There were no conflicts 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 not affiliated with a not-for-profit entity that receives significant contributions from the Company,
- vii. is not 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 would always maintain a minimum of 50% (fifty percent) IDs on the Board of the Company.

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

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 ("FMCG") segment, sustainability and ESG, manufacturing, marketing, business and management.
2.	Mr. Tarun Arora	Knowledge and expertise in FMCG, finance, manufacturing, marketing and business.
3.	Mr. Ganesh N. Nayak	Knowledge and expertise in pharmaceuticals and FMCG, manufacturing, marketing, business and management.
4.	Mr. Savyaschi S. Sengupta	Knowledge and expertise in manufacturing, marketing, business and management.
5.	Ms. Dharmishtaben N. Raval	Knowledge and expertise in law.
6.	Mr. Srivishnu R. Nandyala	Knowledge and expertise in manufacturing, marketing, business and management.
7.	Mr. Kulin S. Lalbhai	Knowledge and expertise in sustainability and ESG, finance, business and management in FMCG and consumer business.
8.	Mr. Ashish P. Bhargava	Knowledge and expertise in sustainability and ESG, finance, marketing, business and management.

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:**

In compliance with 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, 2023, 4 (four) Board meetings were held on May 17, 2022, July 29, 2022, November 10, 2022 and February 2, 2023. Out of them, 1 (one) meeting was held through video conferencing and 3 (three) meetings were held physically at the registered office of the Company.

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

Company's Board is a skill-based board comprising of Directors who collectively have the skills, 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 meetings of the Board 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 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. 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 May 9, 2022, December 13, 2022 and March 31, 2023. 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 for noting in the next Board meeting.

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). None of the Directors of the Company are related inter-se.

The following table provide details of name of the Director, category and position, original date of appointment, tenure, attendance of the Director at the Board meetings, whether they have attended the 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, 2023.

Name of the Director	Category and Position	Original date of appointment	Tenure (in years)	No. of Board meetings		Whether attended last AGM (Yes/No)	Member (Chairman) <sup>1</sup> of Other Board Committees <sup>2</sup>	Number of other Directorships held
				Held	Attended			
Dr. Sharvil P. Patel	Non-Executive Chairman	April 27, 2009	14		4	Yes	1	6
Mr. Tarun Arora	CEO & WTD	May 14, 2015	8		4	Yes	1	4
Mr. Ganesh N. Nayak	Non-Executive Director	July 27, 2006	17		4	Yes	2(1)	2
Mr. Savyasachi S. Sengupta	Non-Executive and Independent Director	November 2, 2018	5		3	Yes	2	2
Ms. Dharmishtaben N. Raval	Non-Executive and Independent Woman Director	March 11, 2019	4	4	4	Yes	3(2)	4
Mr. Srivishnu R. Nandyala	Non-Executive and Independent Director	March 11, 2019	4		4	Yes	4(1)	2
Mr. Kulin S. Lalbhai	Non-Executive and Independent Director	November 18, 2016	7		3	Yes	2(1)	4
Mr. Ashish P. Bhargava	Nominee Director	January 30, 2019	4		3	No	1	1

1. Figures in ( ) indicate the number of Board Committees of which a Director is a Chairman.

2. Other Board Committees mean Audit Committee and Stakeholders' / Investors' Relationship Committee.

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.	Mr. Tarun Arora	None	-
3.	Mr. Ganesh N. Nayak	Zydus Lifesciences Limited	Executive Director
4.	Mr. Savyasachi S. Sengupta	None	-
5.	Ms. Dharmishtaben N. Raval	Zydus Lifesciences Limited NOCIL Limited	Independent Director Independent Director
6.	Mr. Srivishnu R. Nandyala	Heritage Foods Limited Amara Raja Batteries Limited	Independent Director Independent Director
7.	Mr. Kulin S. Lalbhai	Arvind Limited Arvind Smartspaces Limited Arvind Fashions Limited	Executive Director Non-Executive Director Non-Executive Director
8.	Mr. Ashish P. Bhargava	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 ESG 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 of the respective Committee, pursuant to and in compliance with the statutory provisions of the Act and the Listing Regulations.

The Committees operate under the direct supervision of the Board. Normally, the meetings of the Committee 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 reports / 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 of Management Discussion and Analysis of financial and operational performances,
7. Review of 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. To 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. To 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 approvals for certain related party transactions, which are in the ordinary course of business and on an arm's length basis,
  20. Approval of 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 ₹ 10,000 Lakhs (Rupees Ten Thousand Lakhs only) or 10.0% of the asset size of the subsidiary,
  22. To supervise implementation of Insider Trading Code and policies relating thereto,
  23. Valuation of undertakings or assets of the Company, wherever necessary; and
  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 SEBI 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 granted omnibus approval for the related party transactions proposed to be entered into by the Company during the Financial Year ending on March 31, 2024. The Company did not enter into any related party transactions that required approval of the members.
- As prescribed under the Listing Regulations, only the IDs participated 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, 2023, 4 (four) Audit Committee meetings were held on May 17, 2022, July 29, 2022, November 10, 2022 and February 2, 2023. 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, 2023 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. Ganesh N. Nayak	Non-Executive		4
Mr. Savyasachi S. Sengupta	Non-Executive and Independent		3
Mr. Srivishnu R. Nandyala	Non-Executive and Independent	4	4
Mr. Kulin S. Lalbhai	Non-Executive and Independent		3
Mr. Ashish P. Bhargava	Nominee		3

All the members of the Audit Committee have requisite qualifications 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 July 29, 2022 to respond to the queries of the members.

### III. Invitees in the Audit Committee Meetings:

The representatives 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, 2023. 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 a NRC. The terms of reference of 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:

1. 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,

2. 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,
3. 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,
4. 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, meetings held and attendance at the meetings during the year:

During the Financial Year ended on March 31, 2023, 3 (three) NRC meetings were held on May 17, 2022, July 29, 2022 and February 2, 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, 2023 and details of the attendance of the members at the meetings of the Committee are as under:

Name of the Member	No. of Meetings held	No. of Meetings attended
Mr. Kulin S. Lalbhai, Chairman		2
Mr. Savyasachi S. Sengupta	3	3
Mr. Srivishnu R. Nandyala		3
Mr. Ashish P. Bhargava		2

The Company Secretary acts as a Secretary to the Committee. The Chairman of the NRC attended the AGM of the Company held on July 29, 2022.

### III. Nomination and Remuneration Policy and details of remuneration paid / payable to the Directors for the year ended March 31, 2023:

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 ₹ 1 Lakh (Rupees One Lakh only) to each Non-Executive Director towards each of the Board / Committee meetings attended by them.

- ii) An ID is 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 ₹ 150 Lakhs (Rupees One Hundred Fifty Lakhs only) in aggregate, 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 ₹ 5 Lakhs (Rupees Five Lakhs only) to each ID.

- 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) A Non-Executive / Nominee Director is 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, 2023.

#### c. Remuneration to CEO & WTD:

Mr. Tarun Arora is the CEO & WTD of the Company. On the recommendation of the NRC, the Board ratified the remuneration of ₹ 125.42 Lakhs (Rupees One Hundred Twenty Five Lakhs and Forty Two Thousand only) paid to him by way of salary and allowances for the

Financial Year ended on March 31, 2023, 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 subsidiary company. The Board of ZWPL ratified the remuneration of ₹ 449.32 Lakhs (Rupees Four Hundred Forty Nine Lakhs and Thirty Two Thousand only) paid to him by way of salary and allowances for the Financial Year ended on March 31, 2023, which was within the ceiling fixed by the members. In aggregate, Mr. Tarun Arora was paid remuneration of ₹ 574.74 Lakhs (Rupees Five Hundred Seventy Four Lakhs and Seventy Four Thousand only) from the Company and ZWPL for the Financial Year ended on March 31, 2023.

The Company has entered into an agreement with Mr. Tarun Arora for his employment as CEO & WTD for a period of 5 (five) years. 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, 2023 are given below:**

₹ In Lakhs

Name of the Independent / Non-Executive Director	Sitting Fees							Total
	Commission	Board Meetings	Audit Committee Meetings	CSR and ESG Committee Meetings	NRC Meetings	Investors’ / Stakeholders’ Relationship Committee Meetings	Other Meetings *	
Dr. Sharvil P. Patel	-	4	-	1	-	-	3	<b>8</b>
Ms. Dharmishtaben N. Raval	5	4	4	-	-	-	1	<b>14</b>
Mr. Ganesh N. Nayak	-	4	4	1	-	3	-	<b>12</b>
Mr. Savyasachi S. Sengupta	5	3	3	1	3	2	2	<b>19</b>
Mr. Srivishnu R. Nandyala	5	4	4	-	3	-	1	<b>17</b>
Mr. Kulin S. Lalbhai	5	3	3	-	2	-	4	<b>17</b>

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

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 Board at its meeting held on July 29, 2022 and November 10, 2022 respectively changed the nomenclature to "CSR and ESG Committee" and amended the terms of reference of the Committee.

The CSR 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 Directors' 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, 2023 and the details of members' participation at the meeting which was held on May 17, 2022 are as under:

Name of the Member	No. of Meeting held	No. of Meeting attended
Dr. Sharvil P. Patel, Chairman		1
Mr. Ganesh N. Nayak	1	1
Mr. Savyasachi S. Sengupta		1

#### D. Risk Management Committee ("RMC"):

In compliance with 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, 2023 and the details of members' participation at the meetings which were held on April 18, 2022, October 10, 2022 and March 28, 2023 are as under:

Name of the Member	No. of Meetings held	No. of Meetings attended
Dr. Sharvil P. Patel, Chairman		3
Mr. Savyasachi S. Sengupta	3	1
Mr. Kulin S. Lalbhai		3
Mr. Umesh V. Parikh		3

The Company Secretary acts as a Secretary to the Committee.

#### E. Stakeholders'/ Investors' Relationship Committee ("SRC"):

In compliance with the provisions of section 178(5) of the Act and regulation 20 of the Listing Regulations, the Board has formed a 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 the 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 July 29, 2022.

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

The composition of SRC as at March 31, 2023 and details of attendance of the Committee members at the meetings are given in the following table. The Committee met thrice during the year on May 17, 2022, July 29, 2022 and November 10, 2022.

Name of the Member	No. of Meetings held	No. of Meetings attended
Mr. Ganesh N. Nayak, Chairman		3
Mr. Tarun Arora	3	3
Mr. Savyasachi S. Sengupta		2

Mr. Nandish P. Joshi, Company Secretary (effective from July 29, 2022) 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.

6,695 (Six Thousand Six Hundred Ninety Five) 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, 2023.

**III. Number of requests / complaints:**

The Company and / or its RTA have received 9 (nine) 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:****I. Terms of reference:**

The Committee 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, 2023, the Share Transfer Committee comprises of the following members:

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

The Committee 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. Tarun Arora, Mr. Ganesh N. Nayak and Mr. Ashish P. Bhargava are the members of the Committee. The Company Secretary acts as a Secretary to the Committee. The Committee met 6 (six) times during the year.

Minutes of the Finance and Administration Committee meetings are placed before the Board for information.

#### 4. Independent Directors' Meeting:

During the Financial Year ended on March 31, 2023, a separate meeting of IDs, without the attendance of the non-Independent Directors of the Company was held on February 2, 2023, 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 timelines 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. Subsidiary Companies:

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 Board minutes 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.

#### 6. 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, 2023 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, 2023 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.

In compliance of 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, 2023, 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 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.

Date : May 17, 2023  
Place : Ahmedabad

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

**C. Prohibition of Insider Trading:**

In compliance with 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.

**Shares held by the Directors as at March 31, 2023:**

Name of the Director	No. of shares held	Details of shares bought (+) / sold (-) during 2022-2023
Dr. Sharvil P. Patel	533	-
Mr. Tarun Arora	2000	+200
Mr. Ganesh N. Nayak	6550	-
Mr. Savyasachi S. Sengupta	173	-
Ms. Dharmishtaben N. Raval	-	-
Mr. Srivishnu R. Nandyala	-	-
Mr. Kulin S. Lalbhai	-	-
Mr. Ashish P. Bhargava	-	-

Mr. Akhil Monappa who was appointed w.e.f. May 17, 2023 as an Additional Director (Independent) does not hold any shares of the Company.

**D. Whistle Blower Policy:**

The Company has laid down a Whistle Blower Policy, as per the provisions of section 177(9) of the Act and regulation 22 of the Listing Regulations, 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, 2023.

**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 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, 2023, Mukesh M. Shah & Co., the Statutory Auditors of the Company were paid fees for audit and providing other services as per below details:

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	

₹ in Lakhs

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

The particulars about the brief resume and other information of the Directors seeking appointment / re-appointment 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 Twenty Ninth 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, 2023.

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 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) 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, 9,901 (Nine Thousand Nine Hundred One) equity shares held by 204 (Two Hundred Four) members were transferred to IEPF for which the Company has complied with the necessary requirements. Moreover, ₹ 18,69,125 (Rupees Eighteen Lakhs Sixty Nine Thousand One Hundred Twenty Five only) held by 6,109 (Six Thousand One Hundred Nine) members, being the unclaimed dividend, pertaining to the Financial Years ended on March 31, 2015 and March 31, 2016 was transferred to IEPF after giving notice to the members to claim their unpaid / unclaimed dividend. As at March 31, 2023, 88,821 (Eighty Eight Thousand Eight Hundred Twenty One) equity shares are lying with IEPF.

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

Unclaimed dividend and shares	Status	Can it be claimed	Can be claimed from	Actions to be taken
Upto and including the Financial Year 2015-2016	Transferred to IEPF	Yes	IEPF Authority Member to file online 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 with IEPF Authority.	IEPF authority to credit the claimed shares and / or dividend amount based on the e-verification form filed by the Company and the documents submitted by the member.
For the Financial Years 2016-2017 to 2021-2022	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. 6 of the Notice convening the Twenty Ninth AGM.

**M. Disclosure regarding utilization of funds:**

During the year under review, the Company has not raised any funds through preferential allotment or qualified institutional placement.

**N. Recommendations of the Committees:**

During the year under review, 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 2022-2023, the Company has not received any complaint on sexual harassment.

**P. In preparing the annual financial statements of the Company, the treatment as prescribed in the Accounting Standards has been followed.****Q. As per 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. 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.

**7. Means of Communication:**

- i) The Company has 72,064 (Seventy Two Thousand Sixty Four) members as on March 31, 2023. 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 / 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 and the transcripts 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 Limited ("NSE") and online listing portal of BSE Limited ("BSE").

## 8. General Body Meetings:

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

Year	Date and Time	Venue
2021-2022	28 <sup>th</sup> AGM on July 29, 2022 at 10:00 a.m. (IST)	Through Video Conference ("VC") /
2020-2021	27 <sup>th</sup> AGM on July 30, 2021 at 10:00 a.m. (IST)	Other Audio Visual Means ("OAVM")
2019-2020	26 <sup>th</sup> AGM on August 27, 2020 at 10:00 a.m. (IST)	

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

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

Sr. No.	Nature of Special Resolution Passed	Relevant provisions	Details of AGM
1.	To re-appoint Mr. Kulin S. Lalbhai (DIN: 05206878) as an Independent Director of the Company for the second term of 5 (five) consecutive years.	Sections 149, 150, 152 of the Act	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, 2023, the Company has not sought or passed any resolution through Postal Ballot.

## 9. General Shareholder Information:

### i. AGM:

Date and Time of 29 <sup>th</sup> AGM	Thursday, August 3, 2023 at 10.00 a.m. (IST)
Venue of 29 <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, 2022 to March 31, 2023
Record Date	Friday, July 21, 2023
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 August 8, 2023
Compliance Officer	Mr. Nandish P. Joshi was appointed as the Company Secretary and Compliance Officer of the Company effective from July 29, 2022. Mr. Dhanraj P. Dagar had resigned as the Company Secretary and Compliance Officer of the Company effective from close of business hours of May 9, 2022.
Website	<a href="http://www.zyduSwellness.com">www.zyduSwellness.com</a>

### ii. Tentative financial calendar:

First Quarter Results	On or before August 14, 2023
Half Yearly Results	On or before November 14, 2023
Third Quarter Results	On or before February 14, 2024
Audited Results for the year 2023-2024	On or before May 30, 2024

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 2023-2024 to the above Stock Exchanges.

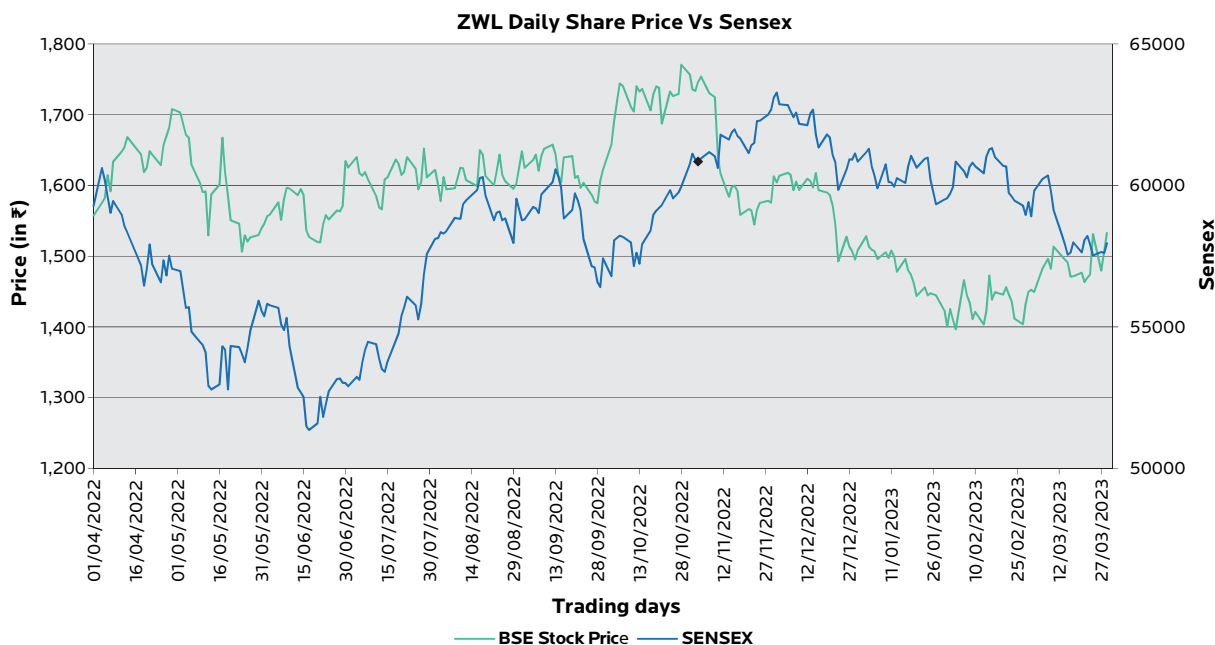
v. **Stock Code:**

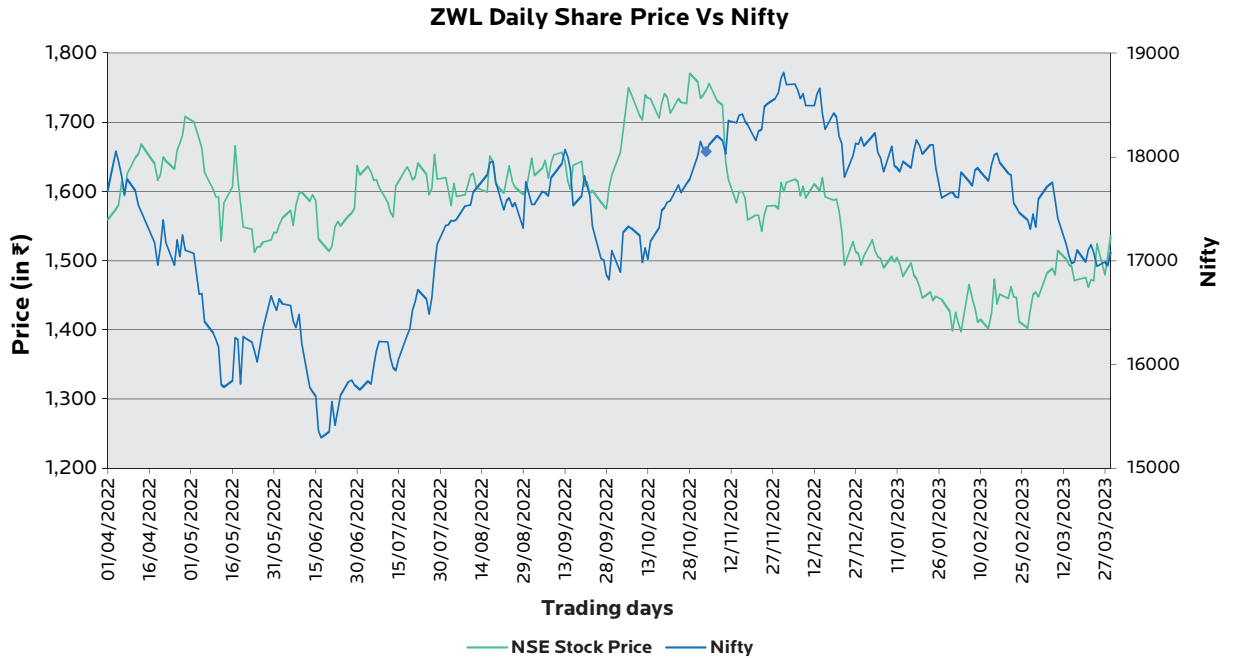
Name of the Stock Exchange	Stock Code	Closing Price as on March 31, 2023 (₹)
BSE Limited P. J. Towers, Dalal Street, Mumbai – 400001	531335	1549.90
National Stock Exchange of India Limited Exchange Plaza, C/1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	ZYDUSWELL	1550.30

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., 22	57060.90	1720.00	1512.10	3549	17102.55	1721.00	1508.90	30059	
May, 22	55566.40	1769.70	1493.80	2982	16584.55	1814.00	1494.00	43392	
Jun., 22	53018.90	1645.00	1507.00	1383	15780.25	1646.95	1506.00	25350	
Jul., 22	57570.30	1691.90	1542.45	1611	17158.25	1684.00	1540.00	84813	
Aug., 22	59537.10	1693.55	1569.10	2654	17759.30	1695.00	1568.00	80182	
Sept., 22	57426.90	1696.00	1574.25	5481	17094.35	1694.80	1573.70	58544	
Oct., 22	60746.60	1790.00	1586.00	4964	18012.20	1791.00	1620.15	30617	
Nov., 22	63099.70	1791.15	1536.25	2394	18758.35	1790.00	1535.00	40645	
Dec., 22	60840.70	1639.15	1486.15	1192	18105.30	1638.75	1487.05	14485	
Jan., 23	59549.90	1543.40	1396.05	2518	17662.15	1538.95	1395.50	19083	
Feb., 23	58962.10	1480.75	1363.85	2439	17303.95	1481.95	1370.10	23069	
Mar., 23	58991.50	1578.00	1431.00	3433	17359.75	1579.00	1429.70	57967	

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:**

A Share Transfer Committee 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.

A predetermined process cycle at regular interval ensures the transmission of shares (in physical mode) within the stipulated time limit.

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:**

A Company Secretary in Practice has carried out audit in each of the quarters during the Financial Year ended on March 31, 2023, 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, 2023:**

No. of Equity Shares	No. of Folios	% of total folios	No. of Shares	% of shareholding
1 to 500	71198	98.79	2333702	3.67
501 to 1000	440	0.61	321554	0.51
1001 to 2000	201	0.28	285574	0.45
2001 to 3000	73	0.10	180319	0.28
3001 to 4000	27	0.04	93270	0.15
4001 to 5000	19	0.03	84963	0.13
5001 to 10000	37	0.05	256062	0.40
10001 & above	69	0.10	60076700	94.41
<b>Grand total</b>	<b>72064</b>	<b>100.00</b>	<b>63632144</b>	<b>100.00</b>
Members in Physical Mode	1597	2.22	162799	0.26
Members in Dematerialized Mode	70467	97.78	63469345	99.74
<b>Grand Total</b>	<b>72064</b>	<b>100.00</b>	<b>63632144</b>	<b>100.00</b>

**xii. Shareholding Pattern as at March 31, 2023:**

Category	No. of Shares held		Total shares	% of shareholding
	Physical	Electronic		
Promoter's holding	0	42280519	42280519	66.44
Mutual Funds	46	5615254	5615300	8.82
Banks, FI's and Insurance Companies	0	1222357	1222357	1.92
Alternate Investment Funds	0	7278971	7278971	11.44
Foreign Institutional Investors / Foreign Portfolio Investors	0	2460522	2460522	3.87
NRIs / Foreign National	69721	154464	224185	0.35
Other Corporate Bodies	53	309843	309896	0.49
Indian Public / HUF / Trusts	92979	4016219	4109198	6.46
Other	0	131196	131196	0.21
<b>Total</b>	<b>162799</b>	<b>63469345</b>	<b>63632144</b>	<b>100.00</b>

**xiii. Top ten equity members of the Company as at March 31, 2023:**

Sr. No.	Name of the shareholder	No. of equity shares held	% of shareholding
1	Zydus Lifesciences Limited	36647509	57.59
2	Threpsi Care LLP	7220216	11.35
3	Zydus Family Trust	5627573	8.84
4	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	2373458	3.73
5	Government Pension Fund Global	1011642	1.59
6	ICICI Prudential Value Discovery Fund	845582	1.33
7	Lici Asm Non Par	554382	0.87
8	Rohini Nilekani	529740	0.83
9	Life Insurance Corporation of India - P & Gs Fund	397271	0.62
10	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	296101	0.46
<b>Total</b>		<b>55503474</b>	<b>87.21</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 99.74% 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 Company's manufacturing plant is located at 7A, 7B & 8, Saket Industrial Estate, Sarkhej Bavla Road, Ahmedabad, Village: Moraiya, Taluka: Sanand, District: Ahmedabad.

**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 drop 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 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. A Company Secretary in Practice has certified the compliance of the conditions of Corporate Governance and annexed the certificate with the Directors' Report and sent the same to all the members of the Company. The certificate shall also be sent to the Stock Exchanges along with the Annual Report filed by the Company.

**xxi. Details of material subsidiaries:**

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

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

During the year under review, as per the provisions of regulation 39(4) read with Schedule VI of the Listing Regulations, the unclaimed share certificates which were lying in the possession of the Company were transferred into unclaimed suspense account of the Company. Voting rights of all the shares transferred to unclaimed suspense account will remain frozen till the rightful owner of such shares claims the shares.

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

Prices of key ingredients like milk, refined palm oil, sugar, etc. used in the products manufactured and marketed remained 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.

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. Disclosure by listed entity and its subsidiaries of 'Loans and advances' in the nature of loans to firms / companies in which directors are interested by name and amount:**

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, except those mentioned in Note No. 5 of the Financial Statements.

Members who have not yet 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, 2023, 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, 2022	Nil	Nil
Number of equity shares transferred to unclaimed suspense account during the year	170	11710
Number of members who approached the Company / RTA for transfer of equity shares from unclaimed suspense account during the year ended on March 31, 2023	4	126
Number of members to whom equity shares were transferred from unclaimed suspense account during the year ended on March 31, 2023	4	126
Number of equity shares transferred to IEPF authority from unclaimed suspense account during the year ended on March 31, 2023	17	1663
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, 2023	149	9921

### 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-distribution-policy.pdf">https://www.zyduswellness.com/investor/dividend-distribution-policy.pdf</a>
2.	Policy for Determination and Disclosure of Materiality of an Event or Information <a href="https://www.zyduswellness.com/investor/Policy-to-determine-materiality-of-an-event-or-information.pdf">https://www.zyduswellness.com/investor/Policy-to-determine-materiality-of-an-event-or-information.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>
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-rights-policy-feb-23.pdf">https://www.zyduswellness.com/investor/human-rights-policy-feb-23.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>

Sr. No.	Policy / Weblink
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/reg-30-materiality-of-events-or-information.pdf">https://www.zyduswellness.com/investor/reg-30-materiality-of-events-or-information.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.	10.11.1994	70	Subscribers to the Memorandum of Association and the Articles of Association (Face Value ₹ 10/-).
2.	25.02.1995	3,50,000	Preferential allotment (Face Value ₹ 10/-).
3.	20.12.1995	52,25,030	Initial Public Offer at ₹ 10/- per equity share.
4.	02.06.2005	9,14,200	Re-issue of forfeited shares at ₹ 70/- per equity share.
5.	17.01.2009	3,34,96,989	Allotment of 3,34,96,989 equity shares, pursuant to the Scheme of Arrangement between the Company, Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited) and Zydus Hospitals and Medical Research Private Limited.
6.	29.01.2019	1,85,92,055	Preferential allotment (Face Value ₹ 10/- and Issue Price ₹ 1,385/-).
7.	19.09.2020	21,22,000	Preferential allotment (Face Value ₹ 10/- and Issue Price ₹ 1,649/-).
8.	28.09.2020	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 17 to 27 and 46(2)(b) to (i) and (t) 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) and (t)	Website	Yes

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

- The Company has a Non-Executive Chairman.
- The quarterly / half yearly results are not sent to the members. However, the same are published in the newspapers and also posted on the website of the Company.
- The Company's financial statements for the Financial Year ended on March 31, 2023 do not contain any audit qualification.
- The internal auditor reports to the Audit Committee and they make quarterly presentations on their reports.
- 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 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 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,
  - (ii) significant changes in accounting policies during the year and that, the same have been disclosed in the notes to the financial statements, and
  - (iii) that there are no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system.

Date : May 17, 2023  
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, 2023 as stipulated in regulation 17 to 27, clause (b) to (i) and (t) 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 17, 2023

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: F003145E000320440

## 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, 2023 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	27.04.2009
2.	Mr. Kulin Sanjay Lalbhai	05206878	18.11.2016
3.	Mr. Ashish Bhargava	02574919	30.01.2019
4.	Ms. Dharmishta Narendraprasad Raval	02792246	11.03.2019
5.	Mr. Srivishnu Raju Nandyala	00025063	11.03.2019
6.	Mr. Savyasachi Santosh Sengupta	05158870	02.11.2018
7.	Mr. Ganesh Narayan Nayak	00017481	27.07.2006
8.	Mr. Tarun Arora	07185311	14.05.2015

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.

Date : May 17, 2023  
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: F003145E000320418

# 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	2022-2023
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	₹ 6,363 Lakhs (Rupees Six Thousand Three Hundred Sixty Three Lakhs 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)	The disclosure under this report for FY 2022-2023 includes the Standalone Parent Company i.e. Zydus Wellness Limited, its wholly owned indian subsidiary companies, their manufacturing facilities and office located at Mumbai and corporate office at Ahmedabad. <i>*The information presented for the FY 2021-2022 covers 5 (five) manufacturing facilities across 4 (four) locations - Aligarh, Ahmedabad, Sikkim and Sitarganj and office located at Mumbai and corporate office at Ahmedabad. Sitarganj facility ceased its operations w.e.f. June 17, 2022.</i>

### II. Products/services:

#### 14. 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%

**15. 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.	Sugarlite	10729	
3.	Complan	10509	
4.	Glucon-D	10623	100%
5.	Nutralite	10504	
6.	EverYuth	20237	
7.	Nycil	20237	

**III. Operations:****16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	4	2	6
International	-	2	2

**17. 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 as a percentage of the Company's consolidated turnover is 3.0%.

**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 ~2000 feet-on-street representatives reaching to more than 30 million consumers as a testament to brands that are engraved in consumer's daily needs and shopping basket.

**IV. Employees:****18. 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)	748	705	94.2%	43	5.8%
2.	Other than Permanent (E)	36	26	72.2%	10	27.8%
<b>3.</b>	<b>Total employees (D + E)</b>	<b>784</b>	<b>731</b>	<b>93.2%</b>	<b>53</b>	<b>6.8%</b>
<b>Workers</b>						
1.	Permanent (F)	227	226	99.6%	1	0.4%
2.	Other than Permanent (G)	2,286	2,111	92.3%	175	7.7%
<b>3.</b>	<b>Total workers (F + G)</b>	<b>2,513</b>	<b>2,337</b>	<b>93.0%</b>	<b>176</b>	<b>7.0%</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%
<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>

## 19. 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%

## 20. Turnover rate for permanent employees and workers:

	FY 2022-2023			FY 2021-2022			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	32.0%	30.0%	32.0%	36.0%	35.0%	36.0%	29.0%	36.0%	29.0%
Permanent workers	7.0%	0.0%	7.0%	3.0%	0.0%	3.0%	0.0%	0.0%	0.0%

## V. Holding, Subsidiary and Associate Companies (including joint ventures):

## 21. (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%	Yes
4.	Liva Investment Limited			Yes
5.	Zydus Wellness International DMCC, Dubai			No
6.	Zydus Wellness (BD) Pvt Limited, Bangladesh			No

## VI. CSR Details:

22. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹): 25,148 (Rupees Twenty Five Thousand One Hundred Forty Eight Lakhs only)

(iii) Net worth (in ₹): 4,03,428 (Rupees Four Lakhs Three Thousand Four Hundred Twenty Eight Lakhs only)

**VII. Transparency and disclosures compliances:****23. 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 2022-2023		FY 2021-2022	
		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-rights-policy-feb-23.pdf">https://www.zyduswellness.com/investor/human-rights-policy-feb-23.pdf</a> <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 lodgment of any documents or any grievances / complaints, members may contact the Company or Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company at 079-48040000 / 079-71800000 or 079-2646 5179 / 86 / 87 or 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> .	9	0	0	0
Employees and Workers	Yes <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>	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 079-48040000 for feedback & queries or send us a mail at <a href="mailto:customercare@zyduswellness.com">customercare@zyduswellness.com</a>	1196	0	772	0
Value Chain Partners	Yes <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

## 24. 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> Poor corporate governance standards can affect and progress towards long term strategic vision. This could also lead to reputational, operational, and legal risks for organizations.</p> <p>The Company shall continue to promote ethical behaviour amongst all stakeholders.</p> <p>Ethical standards are critical to retaining business partners' and society's trust, especially in the health and wellness sector and play a significant role in ensuring reputational integrity and long-term success of the company.</p> <p><b>Opportunity:</b> Good Corporate Governance practices emphasizing transparency, accountability and quality bringing in the latest technology to benefit the consumers can positively improve the business growth, reputation and trust amongst the stakeholders.</p>	<p>-The governance structure is made up of the Board of Directors, the Committees of the Board at the top level and the internal governance structure at the operational level.</p> <p>-The CEO &amp; Whole Time Director acts under the supervision and guidance of the Board of Directors and is responsible for the overall functioning of the organization.</p> <p>-The Company has complied with the Corporate Governance requirements specified under The Companies Act, 2013 and The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>	<p><b>Positive:</b> Good Corporate Governance practices could significantly reduce the threat of safety, legal, performance and warranty issues that can affect the Company.</p> <p>The corporate governance body can reduce unnecessary expenses and spend more on progressive needs.</p> <p>It also ensures that the stakeholders, shareholders, customers, staff, Board of Directors, and others are financially secured.</p> <p><b>Negative:</b> The Company is exposed to regulation around ethical business conduct across its operational geographies. Failure to comply could have significant financial and reputational consequences such as potential fines and sanctions from regulatory bodies for non-compliance with regulations. Potential reputational damage could impact customer's and shareholder's trust.</p>
2.	Nutrition and Health	R/O	<p><b>Risk:</b> Production of consumer goods should be done safely to maximize public health gains and should contribute to overall well-being. Poor quality of products could lead to loss in consumer trust and can have a negative impact on sales.</p> <p><b>Opportunity:</b> Consumers are increasingly demanding products that are better for their health and well-being. This poses an immense opportunity for the Company to deliver to the market expectations and expand the category size of each of the brands and increase the market share to meet the changing requirements of the consumers.</p>	<p>The Company ensures that all products meet the necessary nutrition requirements and more importantly the safety of users, the research team puts significant importance on clinical and preclinical studies of all the products. These also provides valuable inputs for future innovation to increase the quality of the products.</p>	<p><b>Positive:</b> Maintaining nutrient levels in product ingredients and formulating products in accordance with the need leading to health benefits across consumer segments can potentially result into increased customer satisfaction and retention and associated financial benefits.</p> <p><b>Negative:</b> Failure to provide high-quality products that are nutrient-rich and beneficial for consumers or not meeting the legal requirements could lead to poor sales and have negative financial and reputational impact.</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.	Product quality and safety	R/O	<p><b>Risk:</b> Companies have a responsibility to provide their consumers with manufactured products that are aligned with social and compliance expectations of quality and efficiency. Being active in the health and wellness industry, it is key for the Company to provide its customers with products that are safe to use (e.g. products that do not produce undesirable or even potentially harmful side effects).</p> <p><b>Opportunity:</b> Developing and delivering high-quality and safe products that are aligned with regulations and standards can create better business opportunities for the Company.</p>	The Company has implemented various policies such as quality risk management, food safety management systems and regulatory controls to ensure product quality and safety. Different standard operating procedures such as global food safety management, compliance standards for manufacturing facilities and self-inspection are also implemented. Evaluation of value chain partners on quality parameters are also carried out, which ensures end to end quality and safety of the products being manufactured.	<p><b>Positive:</b> The global consumer health and wellness market is a \$1.5 trillion market growing at 5 to 10% a year. More and more consumers are interested in purchasing safe and quality wellness products. Delivering high quality products will positively reflect on the economic performance of the Company and its reputation.</p> <p><b>Negative:</b> Meeting consumer expectations regarding the quality, safety and efficiency of their products is essential for the Company to retain trust of consumers and its license to operate. Failure to do so could have significant financial and reputational impacts.</p>
4.	Customer satisfaction	R/O	<p><b>Risk:</b> Poor customer satisfaction can have a significant impact on the Company's bottom line, brand reputation and overall success in the market.</p> <p><b>Opportunity:</b> The satisfaction of the end user is critical to the success of the product and the Company. Better customer satisfaction leads to repeated business and enables the Company to innovate and develop better products for the customers.</p>	The Company is committed to serving customers and ensuring that their needs are met despite the prevailing market conditions. The Company has stepped up its initiatives on the e-commerce front with the inception of Project Vistaar, engaged continuously with the customers to gauge needs, delivering superior experience by offering best-in-class products and engaging in consistent improvements with the use of the latest science, enabling free trial of new products through different platforms and built sufficient control measures to improve customer satisfaction.	<p><b>Positive:</b> Better customer satisfaction can contribute to a positive brand reputation, increased revenue, and can have a competitive advantage in the market.</p> <p><b>Negative:</b> Poor customer satisfaction can lead to reduced sales, negative word-of-mouth, decreased customer loyalty, and increased costs associated with addressing customer complaints and legal issues.</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.</p> <p>Companies have a responsibility to ensure the 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 equal opportunities at all levels, safe and healthy workplaces and protecting human health and the environment. 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 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>
6.	Business Ethics	R/O	<p><b>Risk:</b> To maintain profitability and meet business goals may tempt businesses to compromise on ethical standards. Ethical risks related to human rights violations, corruption, environmental damages or breaches of data privacy may result in the damage to Company's reputation, and loss of consumers and investor trust.</p> <p><b>Opportunity:</b> By prioritizing ethical and sustainable practices, the Company can build the trust of customers, investors and other stakeholders, creating competitive advantage in the market. By adopting ethical practices, the Company can lead to improved financial performance as customers and investors will prefer investing in the Company.</p>	<p>The Company has adopted "Code of Business code" for the business partners which they have to adhere. Apart from the applicability of code of conduct the Company conducts due diligence periodically to avoid any unforeseen circumstances to mitigate it well in advance.</p>	<p><b>Positive:</b> Implementation of stringent ethical business practices can be a significant opportunity for the Company, which can create competitive advantage, financial performance improvement, talent acquisition and strengthen reputation in market.</p> <p><b>Negative:</b> The Company has an extensive supply chain footprint regionally and globally. Ensuring adherence to the ethical business practices 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)
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 Companies' commitment to transparency, good corporate governance and ethical behavior. By providing accurate and complete financial, environment and social impact information, the Company can build trust within stakeholders and business partners.</p>	As a Listed Company it ensures compliance with relevant standards and regulations while prioritizing transparency and ethical behaviour stated by the relevant authorities.	<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 shareholder 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>	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.	<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	Yes	Yes	Yes	Yes <sup>1</sup>	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No).	Yes	Yes <sup>2</sup>	Yes <sup>3</sup>	Yes	Yes	Yes	Yes	Yes	Yes <sup>4</sup>
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, Code of Conduct for Vendors is extended to value chain partners.								
<sup>1</sup> The Policy is embedded in the Company's Code of Conduct, HR policies and various other HR practices. <sup>2</sup> The Policy is embedded in the Company's Quality and Environmental Policies, which inter alia relate to safe and sustainable products. <sup>3</sup> The Policies for the wellbeing of employees are for internal circulation to the employees and approved by the Board of Directors. <sup>4</sup> The Company fulfills the requirements by introducing innovative products and services. The Company has a customer complaint redressal system in place.									
4. 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 (Ahmedabad and Sikkim) are accredited for FSSC 22000 and ISO 14001:2015, GMP certification as applicable, validating process, quality consistency and food safety.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> <li>- Target to reduce specific energy consumption across operations by 5.0% in FY 2022-2023 (as compared to FY 2021-2022).</li> <li>- Target to reduce specific water consumption by 5.0% in FY 2022-2023 (as compared to FY 2021-2022).</li> </ul>								
6. 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>- Reduction in specific water consumption by 20.5% against target of 5.0% set for FY 2022-2023.</li> <li>- Reduction in specific energy consumption by 11.7% against target of 5.0% set for FY 2022-2023.</li> </ul>								
<b>Governance, leadership and oversight</b>									
7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements:	<p>As a leading FMCG organization, we recognize the importance of integrating responsible and sustainable practices into our operations and are committed to creating a positive impact on society and the environment. Our BRSR report provides an overview of our approach towards sustainability and how we have performed against key sustainability goals and targets. It highlights our efforts towards reducing our environmental footprint, promoting social responsibility and ensuring ethical business practices.</p> <p>We have made significant progress towards achieving our sustainability goals and targets. For instance, we have started our journey by setting Internal Carbon footprint reduction goals, reduction in waste generation and implemented several programs to promote social inclusion and diversity within our organization. We have also strengthened our responsible sourcing practices, ensuring that all our raw materials are ethically sourced.</p> <p>As we continue to expand our operations horizontally, we remain committed to our sustainability goals and will work towards achieving them through innovation, collaboration, and responsible practices.</p> <p>We believe that Sustainability is not only crucial for our business but also for the long-term well-being of the planet and the communities in which we operate. We will continue to work towards creating a sustainable future for all and hope that our BRSR Report provides valuable insights into our journey towards sustainability.</p>								
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").								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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.	Yes. To drive a top-down approach to ESG, in FY 2022-2023 our Board of Directors re-named "Corporate Social Responsibility Committee" to the "Corporate Social Responsibility and ESG Committee". One of the key mandate of the Committee is to oversee and monitor the ESG performance, strategies and initiatives of the Company and how they contribute to our commitment towards creating long-term value for our stakeholders. 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. Savyasachi S. Sengupta (DIN: 05158870), Independent Director as members of the Committee.								

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 Internal auditors 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.								
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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	1	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.  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. 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.  Also, familiarization programmes are conducted for the Directors.	100%
Employees other than BoD and KMP	15	Delta, Prevention of Sexual Harassment of Women at the Workplace, Consumer Centricity, Enterprise Mindset, Logical Thinking, Decision Making, Working Across Boundaries, Team Leadership, Negotiation & Effective Communication	100%
Workers	166	Health and Safety, Quality, Waste Management, Technical (SAP, Excel, Zylex etc.)	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					
Compounding fee					
There have been no instances of fines and penalties imposed by the Statutory Authorities on the Company.					
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 are 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:

The Company has framed "Zydus Business Conduct Policy". The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company. The Policy is available on the website of the Company at <https://www.zyduswellness.com/investor/Zydus%20Business%20Conduct%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 2022-2023	FY 2021-2022
Directors		
KMPs	No such actions have been taken against our Directors/KMPs/employees/workers both for FY 2022-2023 and FY 2021-2022.	
Employees		
Workers		

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

	FY 2022-2023		FY 2021-2022	
	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.

**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
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We have a process of conducting concurrent audits in all our Channel partners (CFAs) 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.

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 expect Directors and Senior Management employees to disclose actual and potential conflicts of a material nature with the interests of the Company. 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 above is a part of the Code of Business Conduct and Ethics adopted by the Company which is available on the website of the Company at <https://www.zyduswellness.com/investor/code-of-business-conduct-and-ethics-policy.pdf>.

Further, the Board of Directors and Senior Management of the Company submit their affirmation for the compliance with the Code of Business Conduct and Ethics on an annual basis.

## 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 2022-2023	FY 2021-2022	Details of improvements in environmental and social impacts
R&D	100%	100%	During the year under review, we have undertaken sustainable projects to increase energy efficiency, water conservation, reduction in usage of plastic in packaging and reduction in coal consumption.
Capex	100%	100%	

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, manufacturing integrity, supply chain efficiency and product innovation form the foundation of the legacy that the Company has built over the last decades. As a consumer health and wellness Company, we work closely with our suppliers and distributors who enable us to reach lakhs of consumers across the globe. Our "Business Conduct" policy promotes adherence to and protection of human rights across our supply chain. It also promotes the maintenance of a safe work environment at the premises of suppliers. We prefer domestic markets to fulfill our requirement for the raw materials for our products.

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.zyduwellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf>.

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 latest 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 2022-2023	FY 2021-2022
Hazardous waste	-	-
Non-hazardous waste recycled	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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 2022-2023			FY 2021-2022		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	-	2127		-	174	436
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
As per applicability of EPR, a Company is obliged to take care of wastes generated during manufacturing and from the consumer's end.	As per EPR target, the Company's waste collection plan is aligned to EPR action plan submitted to CPCB. The company recycled and co-processed, 70% of waste generated during manufacturing and from consumer's end.

**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	% of employees 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 employees</b>											
Male	705	705	100%	705	100%	0	0.0%	705	100%	115	16.3%
Female	43	43	100%	43	100%	43	100%	0	0.0%	15	34.9%
<b>Total</b>	<b>748</b>	<b>748</b>	<b>100%</b>	<b>748</b>	<b>100%</b>	<b>43</b>	<b>5.7%</b>	<b>705</b>	<b>94.3%</b>	<b>130</b>	<b>17.4%</b>
<b>Other than permanent employees</b>											
Male	26	0	0.0%	0	0.0%	0	0.0%	0	0.0%	26	100%
Female	10	0	0.0%	0	0.0%	0	0.0%	0	0.0%	4	40.0%
<b>Total</b>	<b>36</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>30</b>	<b>83.3%</b>



## 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	226	226	100%	226	100%	0	0.0%	226	100%	N.A.	N.A.
Female	1	1	100%	1	100%	1	100%	0	0.0%	N.A.	N.A.
<b>Total</b>	<b>227</b>	<b>227</b>	<b>100%</b>	<b>227</b>	<b>100%</b>	<b>1</b>	<b>0.4%</b>	<b>226</b>	<b>99.6%</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Other than Permanent workers</b>											
Male	2,111	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N.A.	N.A.
Female	175	0	0.0%	0	0.0%	0	0.0%	0	0.0%	N.A.	N.A.
<b>Total</b>	<b>2,286</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>N.A.</b>	<b>N.A.</b>

## 2. Details of retirement benefits:

Benefits	FY 2022-2023			FY 2021-2022		
	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	5.0%	100%	Yes	4.0%	100%	Yes
Others – please specify						
National Pension Scheme	8.0%	N.A.	Yes	8.0%	N.A.	Yes
Superannuation	4.0%	N.A.	Yes	5.0%	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 on the basis of race, colour, gender, age, national origin, religion, sexual orientation, gender identity or expression, marital status or disability.

## 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	100%	-	-	-
Female	100%	0.0%	-	-
<b>Total</b>	<b>100%</b>	<b>0.0%</b>	<b>-</b>	<b>-</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:**

	<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>
Permanent Workers	Yes. The REACHOUT section integrated on internal HRMS Portal is the primary channel for grievance redressal.  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.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> .
Other than Permanent Workers	No.
Permanent Employees	Yes. The REACHOUT section integrated on internal HRMS Portal is the primary channel for grievance redressal.  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.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> .
Other than Permanent Employees	Yes. <ul style="list-style-type: none"> <li>a) Aligarh Plant: The grievances of on roll workers are redressed through Zydus 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 2022-2023			FY 2021-2022		
	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>748</b>	<b>0</b>	<b>0.0%</b>	<b>700</b>	<b>0</b>	<b>0.0%</b>
- Male	705	0	0.0%	661	0	0.0%
- Female	43	0	0.0%	39	0	0.0%
<b>Total Permanent Workers</b>	<b>227</b>	<b>165</b>	<b>72.7%</b>	<b>375</b>	<b>323</b>	<b>86.1%</b>
- Male	226	164	72.6%	373	321	86.0%
- Female	1	1	100%	2	2	100%

## 8. Details of training given to employees and workers:

Category	FY 2022-2023					FY 2021-2022				
	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	686	112	16.3%	574	83.7%	98	63	64.3%	35	35.7%
Female	1	0	0.0%	1	100%	0	0	0.0%	0	0.0%
<b>Total</b>	<b>687</b>	<b>112</b>	<b>16.3%</b>	<b>575</b>	<b>83.7%</b>	<b>98</b>	<b>63</b>	<b>64.3%</b>	<b>35</b>	<b>35.7%</b>
<b>Workers</b>										
Male	545	176	32.3%	369	67.7%	96	65	67.7%	31	32.3%
Female	165	119	72.1%	46	27.9%	0	0	0.0%	0	0.0%
<b>Total</b>	<b>710</b>	<b>295</b>	<b>41.5%</b>	<b>415</b>	<b>58.4%</b>	<b>96</b>	<b>65</b>	<b>67.7%</b>	<b>31</b>	<b>32.3%</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-2023			FY 2021-2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	705	705	100%	661	661	100%
Female	43	43	100%	39	39	100%
<b>Total</b>	<b>748</b>	<b>748</b>	<b>100%</b>	<b>700</b>	<b>700</b>	<b>100%</b>
<b>Workers</b>						
Male	226	226	100%	373	373	100%
Female	1	1	100%	2	2	100%
<b>Total</b>	<b>227</b>	<b>227</b>	<b>100%</b>	<b>375</b>	<b>375</b>	<b>100%</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 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 2022-2023 we have invested 343 man-hours in training our employees on topics related to safety practices at the workplace. In FY 2022-2023, 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. Regularly monitor and review the hazards reporting and removal process to ensure that it is effective and to make any necessary improvements.

**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 allows 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 includes fitness classes, stress management programs and nutrition counselling.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-2023	FY 2021-2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-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 Vice President, 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.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-2023			FY 2021-2022		
	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:**

Not applicable as there aren't any safety related incidents.

**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 & Tax Deducted at Source ("TDS") have been duly recorded, levied by the suppliers and deposited with the 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 2022-2023	FY 2021-2022	FY 2022-2023	FY 2021-2022
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. The Company provides extended service to the employees as a retainer/consultant on a case to case basis.

**5. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety conditions	0.0%
Working conditions	<p>We have a comprehensive assessment framework in place.</p> <p>In case of supply risk: We assess our Raw Material (“<b>RM</b>”) suppliers on 94 checkpoints and Packaging Material (“<b>PM</b>”) suppliers on 183 checkpoints. Our supplier sustainability risk assessment criteria is based on the quality management, Hygiene Management, Risk Identification by the supplier, Assessment of Production Facilities, Specification and Process control, Control on contamination &amp; cross contamination, Training &amp; Waste Management.</p> <p>In case of CFAs: The Company through the help of any third-party agency or internally, conduct a periodic review of all its CFA operations. The review focuses on the Regulatory and Quality requirements apart from the various working conditions and activities performed by the CFAs.</p>

**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 assessment of health and safety practices of value chain partner was carried out.

**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 manages a range of key stakeholder relationships and strives to ensure open, honest and constructive communication to ensure the development of the business following a robust engagement process for internal and external stakeholders. The stakeholder identification and prioritization process has been conducted during the materiality assessment in FY 2022-2023. By considering the parameters and stakeholder attributes defined by global standards such as GRI Sustainability Reporting Guidelines and National Guideline for Responsible Business Conduct (NGBRC) we have mapped our stakeholders. Our priority stakeholders are 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 marginalised	Digital Platforms, Consumer feedback division to address queries and grievances, Website.	Continuous	Product quality and safety, information on products, consumer satisfaction and feedback, complaints and queries.
Employees		One-on-one performance reviews, Various learning and development initiatives, Quarterly townhalls addressed by the CEO & WTD, Newsletters, Employee feedback programme.	Continuous	Employees interests in delivering short-term and long-term business objectives, health and wellness and growth opportunities.
Suppliers and Vendors		Meetings, Facility visits, Audit etc.	Continuous	We maintain a regular connect with our various suppliers to ensure that the highest standard of quality, food safety and timely availability is ensured for seamless business operations. We also have a laid down procedure for supplier audit, which is done on a periodic basis.
Investors and Shareholders		Quarterly investor conference calls, 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.
Channel Partners		Meetings / Visits, Digital communication and monthly reviews.	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.

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
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	The Company is a responsible law-abiding organization and ensures 100% compliance of all the applicable regulations. With increased focus on issues pertaining to Environment, Social and Governance, we regularly communicate with government representatives and regulatory bodies to have abreast understanding of regulations which can impact the operations and stakeholders of our organization.
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 actively manages a range of stakeholder groups and strives to ensure open, honest and constructive communication of key economic, environmental and social topics via different platforms. For each of the internal and external stakeholders, the Company has set a specific consultation process. Also we carryout consultation with external stakeholders including benchmarking to improve our ESG journey. The feedback from such consultations is shared with the Board of Directors during the quarterly Board meetings.



**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, we have conducted a materiality assessment in FY 2022-2023 with all key stakeholders to identify the company's material issues. Thus, with our materiality assessment exercise we understood our stakeholder priorities and areas of concerns. More details of materiality assessment can be found on the website of the Company in ESG report at:- <https://www.zyduswellness.com/investor/ZydusWellnessESGreportFY%202021-2022.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 Company 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 these camps, farmers are informed about good animal husbandry practices, animal nutrition, clean milk production techniques and good handling practices. In Financial Year 2022-2023, ₹ 2 Lakhs (Rupees Two Lakhs 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 2022-2023			FY 2021-2022		
	Total (A)	No. of employees/ workers covered (B)	% (B/ A)	Total (C)	No. of employees/ workers covered (D)	% (D/ C)
<b>Employees</b>						
Permanent	748	748	100%	700	700	100%
Other than permanent	36	36	100%	27	27	100%
<b>Total employees</b>	<b>784</b>	<b>784</b>	<b>100%</b>	<b>727</b>	<b>727</b>	<b>100%</b>
<b>Workers</b>						
Permanent	227	227	100%	375	375	100%
Other than permanent	2,286	2,286	100%	1,975	1,975	100%
<b>Total workers</b>	<b>2,513</b>	<b>2,513</b>	<b>100%</b>	<b>2,350</b>	<b>2,350</b>	<b>100%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-2023					FY 2021-2022				
	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>748</b>	<b>0</b>	<b>0.0%</b>	<b>748</b>	<b>100%</b>	<b>700</b>	<b>0</b>	<b>0.0%</b>	<b>700</b>	<b>100%</b>
Male	705	0	0.0%	705	100%	661	0	0.0%	661	100%
Female	43	0	0.0%	43	100%	39	0	0.0%	39	100%
<b>Other than permanent</b>	<b>36</b>	<b>0</b>	<b>0.0%</b>	<b>36</b>	<b>100%</b>	<b>27</b>	<b>0</b>	<b>0.0%</b>	<b>27</b>	<b>100%</b>
Male	26	0	0.0%	26	100%	20	0	0.0%	20	100%
Female	10	0	0.0%	10	100%	7	0	0.0%	7	100%
<b>Workers</b>										
<b>Permanent</b>	<b>227</b>	<b>0</b>	<b>0.0%</b>	<b>227</b>	<b>100%</b>	<b>375</b>	<b>0</b>	<b>0.0%</b>	<b>375</b>	<b>100%</b>
Male	226	0	0.0%	226	100%	373	0	0.0%	373	100%
Female	1	0	0.0%	1	100%	2	0	0.0%	2	100%
<b>Other than permanent</b>	<b>2,286</b>	<b>492</b>	<b>21.5%</b>	<b>1,794</b>	<b>78.5%</b>	<b>1,975</b>	<b>0</b>	<b>0%</b>	<b>1,975</b>	<b>100%</b>
Male	2,111	454	21.5%	1,657	78.5%	1,817	0	0.0%	1,817	100%
Female	175	38	21.7%	137	78.3%	158	0	0.0%	158	100%

3. Details of remuneration/salary/ wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of the respective category	Number	Median remuneration/ salary/ wages of the respective category
Board of Directors (BoD)*	7	₹ 17.00 Lakhs	1	₹14.00 Lakhs
Key Managerial Personnel*	3	₹ 125.40 Lakhs	0	-
Employees other than BoD and KMP	705	₹ 10.98 Lakhs	43	₹19.43 Lakhs
Workers	226	₹ 7.15 Lakhs	1	₹ 2.65 Lakhs

\* Includes Mr. Tarun Arora, CEO & WTD.

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:

The Company is committed to promoting human rights and is adhered to them in spirit and deed. This extends to all areas of business operations and various stakeholder groups. The Company is also committed to providing equal opportunities at all levels, safe and healthy workplaces and protecting human health and the environment. 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 at the Company's factory. The Company provides equal opportunities to all its employees to improve their skills and capabilities. The Company also has a policy in place to foster a professional, open and trusting workplace and safeguard the interests of its women employees.

On the internal "Wellness Touch" platform under the reach out section employees can file their grievances w.r.t. Human Rights.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-2023			FY 2021-2022		
	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. 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.

**8. 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 "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.

**9. Assessments of the year:**

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	No plants and offices were assessed for human rights issues.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above:** Not applicable.**Leadership Indicators**

- Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints:** Not applicable.
- Details of the scope and coverage of any Human rights due diligence conducted:** No Human rights due diligence was conducted.
- 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	The Company and its affiliates have always valued its partners in progress, the extended family of contractors, suppliers, associates, service providers, consultants, etc. (hereinafter collectively referred to as " <b>Vendors</b> ") who are an integral part of its business. For over 28 years now, the Company has established itself as a reliable business partner with the highest standards of ethics and integrity. The Company believes in an open and transparent business ecosystem with fairness and good practices as its cornerstones. It has a zero tolerance policy in the organization for unethical business practices. Either directly or indirectly, receiving bribes, favors, gifts, kickbacks, or graft in any other way goes against its values and will be considered unethical, illegal and harmful to its reputation. Employees and representatives of the Company are expected to uphold honesty and integrity and decline any opportunity that would place its values and reputation at risk. They are also expected to transact business by maintaining standards consistent with the legal, regulatory, ethical requirements and reputational standards of the Company. Zydus Code of Conduct for Vendors (" <b>Code</b> ") sets forth the basic requirements that we ask our Vendors to respect and adhere to this policy while conducting business with the Company. This Code embodies the Company's commitment towards Environment Protection, Minimum Wages, Child Labour, Anti-Bribery, Anti-Corruption, Health and Safety, etc.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above:**

No corrective actions pertaining to Question 4 was necessitated by the Company during the year under review.

**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:**

<b>Parameter (In Gigajoules)</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
Total electricity consumption (A)	44,123	44,997
Total fuel consumption (B)	4,16,384	4,19,359
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>4,60,507</b>	<b>4,64,356</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in Lakhs)	2.04	2.31

Note: 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. Limited 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:**

<b>Parameter</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
Water withdrawal by source (in kilolitres/ in m3)		
(i) Surface water	70,004	60,147
(ii) Ground water	3,24,986	3,81,511
(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>3,94,990</b>	<b>4,41,658</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>3,94,990</b>	<b>4,41,658</b>
Water intensity per rupee of turnover (Water consumed / turnover in Lakhs)	1.75	2.20

Note: 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. Limited Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:**

Yes. The Company has taken initiatives for implementation of Zero Liquid Discharge (“ZLD”) throughout the operations. The plant located at Ahmedabad falls under this category and the Company has also started working so that other plants are also covered under this category. The Company has tertiary effluent treatment plants (“ETP”) which can process 60KLD, 50KLD, and 1200KLD of waste water for Sikkim, Ahmedabad, and Aligarh plants respectively. In addition to primary and secondary treatment, tertiary ETP provides an additional level of purification of waste water generated within the Company’s boundaries. The Company utilises a majority of tertiary treated water for horticulture within its facility boundaries, which lowers the company’s overall water consumption.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2022-2023	FY 2021-2022
NOx	(mg/nm <sup>3</sup> )	45.86	44.30
SOx	(mg/nm <sup>3</sup> )	50.09	64.83
Particulate matter (PM)	(mg/nm <sup>3</sup> )	101.85	71.06
Persistent organic pollutants (POP)	N.A.	N.A.	N.A.
Hazardous air pollutants (HAP)	N.A.	N.A.	N.A.
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	Tonnes	0.21	0.02

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. Limited Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report. Also, Independent evaluation has been carried out by NABL accredited laboratories.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-2023	FY 2021-2022
Total Scope 1 emissions	tCO <sub>2</sub>	3,490	11,427
Total Scope 2 emissions	tCO <sub>2</sub>	9,928	10,124
<b>Total Scope 1 and Scope 2 emissions per Lakhs of turnover</b>	<b>tCO<sub>2</sub> / Rupee of Turnover</b>	<b>0.06</b>	<b>0.11</b>

Note: 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. Limited Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

**7. 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:

- Evaporation ratio increased by 0.1% through installation of Oxygen analyzer.
- Refurbishment of Electrostatic Precipitator (ESP) in Boiler.
- New VFD (variable frequency drive) installed in Glucon-D CEKA LINE.
- Use of diesel generator set discontinued during turbine annual shutdown.
- Replaced electrical heater with LPG gas burner at Aligarh plant.
- Reduction in operating hours of Air Handling Unit (AHU) by programmable timer use.
- Replaced coal with bio-mass husk as fuel for boiler.
- De-centralization of Glucon-D production.
- Saving of electricity by 11.3% due to digitalization of all fat spread lines.
- Glucon-D manufacturing system upgraded from manual to screw conveying.
- Tablet compression efficiency improved by installing 3 (three) tip punch.
- Installed “life and place” device for online powder feeding in filling machine & rationalizing sieving process, manpower & polybags.
- Use of Briquette (green fuel) fired boiler instead of HSD Oil (Fossil fuel).

## 8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-2023	FY 2021-2022
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	660.37	693.68
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)	98.79	86.81
Other Non-hazardous waste generated (paper, plastic and tin) Please specify, if any. (H) (Break-up by composition i.e., by materials relevant to the sector)	174.30	434.90
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>933.46</b>	<b>1,215.39</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	836.73	1,131.82
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>836.73</b>	<b>1,131.82</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	96.72	83.57
<b>Total</b>	<b>96.72</b>	<b>83.57</b>

Note: 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. Limited Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

## 9. 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. Three out of four of our plants have a well-designed ETP. Waste water from the production process is treated via a Common ETP and discharged in accordance with the standards set by the Pollution Control Board. The treated water reports are reviewed by a third-party to ensure safe discharge limits before release. After treatment, about 70.0% to 80.0% of recycled water is used for green belt development, cleaning, housekeeping, gardening, and flushing in toilets. As a result of our efforts, our fresh water consumption has reduced by 30.0% at Aligarh plant, 20.0% at Sikkim and Ahmedabad plants as compared to last year.

Other waste including e-waste, plastic waste etc. are managed according to the expectation of State Pollution Control Board.

## 10. 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.
	The Company does not operate in ecologically sensitive areas.		

11. 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
EIA is not mandatory for the projects which are carried out by the Company.					

12. 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
The Company is compliant with the applicable environmental law/ regulations/ guidelines applicable in India.				

**Leadership Indicators**

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter (In Gigajoules)	FY 2022-2023	FY 2021-2022
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	3,75,075	2,92,667
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>3,75,075</b>	<b>2,92,667</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	44,123	44,997
Total fuel consumption (E)	41,308	1,26,692
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>85,431</b>	<b>1,71,689</b>

Note: 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. Limited Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

2. Provide the following details related to water discharged:

Parameter	FY 2022-2023	FY 2021-2022
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	Nil	Nil
- 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	38,928	48,499
<b>Total water discharged (in kilolitres)</b>	<b>38,928</b>	<b>48,499</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. Limited Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

### 3. 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 2022-2023	FY 2021-2022
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	70,004	60,147
(ii) Ground water	3,24,986	3,60,701
(iii) Third party water	-	-
(iv) Sea water / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>3,94,990</b>	<b>4,20,848</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>3,94,990</b>	<b>4,20,848</b>
<b>Water intensity per rupees of turnover</b> <i>(Water consumed / turnover in Lakhs)</i>	<b>1.75</b>	<b>2.09</b>
<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	38,928	45,608
<b>Total water discharged (in kilolitres)</b>	<b>38,928</b>	<b>45,608</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. Limited Assurance has been carried out by Intertek India Private Limited and the certificate for the same is attached to this report.

### 4. Please provide details of total Scope 3 emissions & their intensity, in the following format:

Parameter	Unit	FY 2022-2023	FY 2021-2022
<b>Total Scope 3 emissions</b>	-	-	-
<b>Total Scope 3 emissions per rupee of turnover</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: No.

Note: The Company did not track Scope-3 emissions for FY 2022-2023 and FY 2021-2022.



5. **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.
6. **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 electrical refrigeration with steam operated VAM Machine		18 % reduction in electrical units per tonnes of production compared to previous year.
2.	Oxygen analyzer installed to improve boiler efficiency		
3.	Digitalization of all fat spread lines		<ul style="list-style-type: none"> <li>Saving of electricity by 11.3%.</li> <li>Real time data monitoring for manufacturing and packing.</li> <li>0.4% improvement in product yield.</li> <li>Improvement in productivity (volume increased by 16.9%).</li> </ul>
4.	Glucon-D manufacturing system upgraded from manual to screw conveying	Not available	Saving in electricity and improved production efficiency.
5.	Tablet compression efficiency improvement by installing 3 tip punch		Improvement in energy index (KWH/ Tonne) by 4.8% in 2023.
6.	Installed "lift and place" device for online powder feeding in filling machine & rationalizing sieving process, manpower & polybags.		
7.	Use of stainless-steel Bin for powder storage and maintain stock.		

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:** No
8. **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.
9. **Percentage of value chain partners (by the value of business done with such partners) that were assessed for environmental impacts:** No value chain partners were assessed for environmental impacts.

**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 9 (Nine) 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.	Madras Diabetes Research Foundation	National
2.	National Forensic Sciences University	National
3.	Protein Foods and Nutritional Association of India	National
4.	The Confederation of Indian Industry	National
5.	Federation of Indian Chambers of Commerce & Industry	National
6.	All India Food Processors Association	National
7.	Protein Foods and Nutrition Development Association of India	National
8.	Metflux Research (Incubated at IIT Mumbai)	State
9.	F1rst – Business associate of GIRACT, Switzerland	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 nor have we received any notice regarding anti-competitive conduct from the Competition Commission of India.		

**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
The Company engages with various stakeholders as mentioned in point 1(b) above including industry chambers, associations, governments and regulators and provides its inputs for framing and implementation of policies. The Company's engagement with the relevant stakeholders is guided by the values of commitment, integrity, transparency and taking into consideration interests of all stakeholders.					

**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
Not applicable, none of the projects are applicable for SIA Assessment in FY 2022-2023.					

**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 provides solution to improve the health and hygiene of their cattles. 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 2022-2023	FY 2021-2022
Directly sourced from MSMEs/ small producers	12.3%	11.2%
Sourced directly from within the district and neighboring districts	59.9%	67.8%

**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 out any CSR Projects during the FY 2022-2023.			

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 dedicated customer relationship cell to address customer/consumer related grievances. They can connect with us on 079-48040000 for feedback & queries or send us a mail at [customercare@zyduswellness.com](mailto:customercare@zyduswellness.com).

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 taken back from trade and are audited and disposed off as per the guidelines enumerated in the internal policy and adhering to local laws and rules.

**3. Number of consumer complaints in respect of the following:**

	FY 2022-2023		Remarks	FY 2021-2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	Nil	-	-	Nil
Advertising	-	-	Nil	-	-	Nil
Cyber-security	-	-	Nil	-	-	Nil
Delivery of essential services	-	-	Nil	-	-	Nil
Restrictive trade practices	-	-	Nil	-	-	Nil
Unfair trade practices	-	-	Nil	-	-	Nil
Other (Customer Complaints)	1,196	-	Nil	772	-	Nil

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	-	-
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. The Company has an internally available policy on cyber security, with the objective to:

- protect and maintain the confidentiality, integrity, and availability of information,
- Managing the risk of security exposure and compromise,
- Assure a secure and stable IT environment
- Identify and respond to events involving information asset misuse, loss or unauthorized disclosures,
- Monitor systems for anomalies that might indicate compromise, and
- Promote and increase the awareness of information security.

**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: Not applicable.****Leadership Indicators****1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available):**

- Complian- <https://www.zyduswellness.com/complan.php>
- Sugarfree- <https://www.zyduswellness.com/sugarfree.php>
- Glucon-D- <https://www.zyduswellness.com/glucon-d.php>
- Everyuth- <https://www.zyduswellness.com/everyuth-naturals.php>
- Nycil- <https://www.zyduswellness.com/nycil.php>
- Nutralite- <https://www.zyduswellness.com/nutralite.php>

**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, 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 and 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:**

The Company has internal guidelines to check for varieties of branding aspects such as logos, claims etc. in addition to the information required as per the legal requirements.

**5. 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. We carry out regular consumer surveys to understand consumer opinions and perceptions about our products and brands.

**6. 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

# Independent Limited Assurance Statement to Zydus Wellness Limited on their Business Responsibility & Sustainability Report for the FY 2022-2023

To  
**Zydus Wellness Limited**  
 Ahmedabad, India

## Introduction

Intertek India Private Limited (“**Intertek**”) was engaged by Zydus Wellness Limited (“**ZWL**”) to provide an independent limited assurance on its Business Responsibility & Sustainability Report (“**BRSR**”) for the FY 2022-23 (“the **Report**”). The scope of the Report comprises the reporting period of FY 2022-23. The Report is prepared by ZWL on a standalone basis including manufacturing facilities of Zydus Wellness Products Limited (“**ZWPL**”), wholly owned subsidiary, based on the BRSR guidelines prescribed by The Securities and Exchange Board of India. 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 limited assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the sustainability related disclosures, 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 for the FY 2022-23 of ZWL.

## Responsibilities

ZWL is solely responsible for developing the Report and its presentation. ZWL is also responsible for designing, 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 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 presented by ZWL in its Report. The assurance boundary included data and information for the operations of ZWL (in Ahmedabad) and ZWPL [in Aligarh and Sikkim (two units)] and in accordance with SEBI’s BRSR guidelines. Our scope of assurance included verification of data and information on selected disclosures reported as summarized in the table below:

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### Principle 6 (Businesses should respect and make efforts to protect and restore the environment)

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- Total Energy Consumption.
  - GHG emissions (Scope 1 and 2).
  - Air Emissions (SOx and NOx).
  - Total hazardous and non-hazardous waste generated.
  - Total waste disposed.
  - Water withdrawal, consumption and discharged.
- 

## Assurance Criteria

Intertek conducted the assurance work in accordance with requirements of ‘Limited 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 limited assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and limited sampling as per professional judgement of assurance provider. A materiality threshold level of 10% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

### Methodology

Intertek performed assurance work using risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a limited level of assurance. The assurance was conducted by desk review & stakeholder interviews with regard to the reporting and supporting records for the FY 2022-23. Our assurance task was planned and carried out during June, 2023. The assessment included the following:

- Assessment of the Report that it 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 digitally.
- Conducted virtual interviews with key personnel responsible for data management.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by ZWL and ZWPL for data analysis.
- Review of BRSR disclosures on sample basis for the duration from April 1, 2022 to March 31, 2023 for ZWL and ZWPL was carried out remotely.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed.

### Conclusions

Intertek reviewed selected BRSR disclosures provided by ZWL in its Report. Based on the data and information provided by ZWL and ZWPL, Intertek concludes with limited assurance that there is no evidence that the sustainability data and information presented in the Report is not materially correct. The report provides a fair representation of BRSR disclosures and is in accordance with the SEBI's BRSR guidelines to the best of our knowledge.

### 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 Certified 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

Technical Manager-Sustainability  
Intertek Assuris  
29<sup>th</sup> June 2023

##### Elizabeth Mielbrecht

Project Director  
Intertek Assuris

*No member of the verification team (stated above) has a business relationship with ZWL and ZWPL 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, 2023, 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 significant 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, 2023, 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. Key Audit Matter No.	Auditor's Response
<p>1 <b>Assessment of impairment of Goodwill amounting to ₹ 2,282 Lakhs (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, 2023. The Company has carrying value of goodwill amounting to ₹ 2,282 Lakhs 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 company 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 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 section 123 of the Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **MUKESH M. SHAH & CO.,**  
Chartered Accountants  
Firm Registration No.: 106625W

**Mukesh M. Shah**  
Partner

Place: Ahmedabad  
Date: May 17, 2023

Membership No.: 030190  
UDIN: 23030190BGYYFM4093

## “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, 2023.

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
3. (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, 2023 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 Lakhs			
Particulars	Investments	Loans	Guarantees
<b>A. Aggregate amount granted / provided during the year:</b>			
- Subsidiaries	-	8,465	-
- Related Parties	-	-	-
<b>B. Balance outstanding as at balance sheet date in respect of above cases:</b>			
- Subsidiaries	367,125	20,370	-
- Related Parties	-	-	-
<b>Total</b>	<b>367,125</b>	<b>20,370</b>	<b>-</b>

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 failing 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

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues of clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Sr. No.	Name of Statute	Nature of Dues	[₹ in Lakhs]		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	6	2	2003-04 2004-05	High Court of Andhra Pradesh
		Value Added Tax	668	5	2009-10 2010-11 2011-12	The Appellate Authority up to Commissioner Level
2	The Income Tax Act, 1961	Income Tax	41	9	AY 2018-19	Commissioner of Income tax (Appeal)
			25	5	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. On the basis of information and explanations given to us and based on the examination of the records provided to us, there is no unspent amount of Corporate Social Responsibility ("CSR") as at the end of the financial year. Accordingly, reporting under clause 3(XX) of the Order is not applicable for the year.

For **MUKESH M. SHAH & CO.**,  
Chartered Accountants  
Firm Registration No.: 106625W

**Mukesh M. Shah**  
Partner

Place: Ahmedabad  
Date: May 17, 2023

Membership No.: 030190  
UDIN: 23030190BCYYFM4093

## “Annexure B” to the Independent 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 Zydu Wellness Limited (“the Company”) as of March 31, 2023 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, 2023, 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 ICAI.

For **MUKESH M. SHAH & CO.,**  
Chartered Accountants  
Firm Registration No.: 106625W

**Mukesh M. Shah**  
Partner

Place: Ahmedabad  
Date: May 17, 2023

Membership No.: 030190  
UDIN: 23030190BGYYFM4093

# BALANCE SHEET

As at March 31, 2023

₹ in Lakhs

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS:</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	3 [A]	3,164	2,200
Capital work-in-progress	3 [C]	47	177
Goodwill	3 [B]	2,282	2,282
Other intangible assets	3 [B]	11	18
Financial assets:			
Investments	4	3,67,125	3,67,125
Loans	5	11,700	21,690
Other financial assets	6	48	48
Deferred tax assets [net]	7	4,686	2,746
Other non-current assets	8	76	72
Assets for tax [net]	9	539	514
		<b>3,89,678</b>	<b>3,96,872</b>
<b>Current assets:</b>			
Inventories	10	900	905
Financial assets:			
Investments	11	2,686	1,202
Trade receivables	12	291	1,102
Cash and cash equivalents	13 [A]	1,487	310
Bank balance other than cash and cash equivalents	13 [B]	48	5,425
Loans	14	8,670	-
Other current financial assets	15	682	734
Other current assets	16	2,241	2,500
		<b>17,005</b>	<b>12,178</b>
<b>Total</b>		<b>4,06,683</b>	<b>4,09,050</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Equity share capital	17	6,363	6,363
Other equity	18	3,97,065	3,93,655
		<b>4,03,428</b>	<b>4,00,018</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Financial liabilities:			
Lease liabilities	41	12	31
Other financial liabilities	19	108	87
Provisions	20	283	171
		<b>403</b>	<b>289</b>
<b>Current liabilities:</b>			
Financial liabilities:			
Borrowings	21	-	4,600
Lease liabilities	41	19	17
Trade payables:			
Dues to Micro and Small Enterprises	22	85	26
Dues to other than Micro and Small Enterprises	22	1,933	3,090
Other financial liabilities	23	472	594
Other current liabilities	24	230	352
Provisions	25	113	64
		<b>2,852</b>	<b>8,743</b>
<b>Total</b>		<b>4,06,683</b>	<b>4,09,050</b>
<b>Significant 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 17, 2023

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 17, 2023

**Tarun Arora**

CEO &amp; Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 17, 2023

**Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Date: May 17, 2023

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 17, 2023



# STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2023

₹ in Lakhs

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME:</b>			
Revenue from operations	28	25,148	21,625
Other income	29	1,352	1,540
<b>Total Income</b>		<b>26,500</b>	<b>23,165</b>
<b>EXPENSES:</b>			
Cost of materials consumed		16,494	14,589
Changes in inventories of finished goods, work-in-Progress and stock-in-trade	30	140	654
Employee benefits expense	31	2,905	3,106
Finance costs	32	114	202
Depreciation and amortisation expense	3 [A], 3 [B]	352	284
Other expenses	33	1,778	3,808
<b>Total Expenses</b>		<b>21,783</b>	<b>22,643</b>
<b>Profit before Tax</b>		<b>4,717</b>	<b>522</b>
Less: Tax expense:			
Current tax	34	(3)	-
Deferred tax	34	(1,922)	(748)
		<b>(1,925)</b>	<b>(748)</b>
<b>Profit for the year</b>		<b>6,642</b>	<b>1,270</b>
<b>OTHER COMPREHENSIVE INCOME [OCI]:</b>			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ [losses] on post employment defined benefit plans		(68)	1
Income tax effect on OCI		18	-
<b>Other Comprehensive Income for the year [net of tax]</b>		<b>(50)</b>	<b>1</b>
<b>Total Comprehensive Income for the year [net of tax]</b>		<b>6,592</b>	<b>1,271</b>
<b>Basic &amp; Diluted Earnings per equity share [EPS] [in ₹]</b>	35	10.44	2.00
<b>Significant 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

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Date: May 17, 2023

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 17, 2023

# CASH FLOW STATEMENT

For the year ended March 31, 2023

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A Cash flows from operating activities</b>		
<b>Profit before tax</b>	4,717	522
Adjustments for:		
Depreciation and amortisation expense	352	284
Net loss on disposal of Property, plant and equipment	6	1
Net gain on sale of investments	(32)	-
Gain on investments mandatorily measured at fair value through statement of profit and loss	(6)	(1)
Interest income	(1,314)	(1,539)
Expected credit loss on trade receivables [net]	-	5
Provisions for probable product expiry claims and return of goods	(8)	(8)
Interest expense, Bank commission and charges	114	202
Effect of foreign exchange movement in loans	(15)	(4)
Provision for employee benefits	101	(65)
<b>Operating profit/ [loss] before working capital changes</b>	<b>3,915</b>	<b>(603)</b>
Adjustment for:		
Decrease in inventories	5	613
Decrease/ [Increase] in trade receivables	664	(952)
Decrease/ [Increase] in other assets	266	(276)
Decrease in trade payables	(1,105)	(369)
[Decrease]/ Increase in other liabilities	(56)	233
<b>Cash from/ [used in] operations</b>	<b>3,689</b>	<b>(1,354)</b>
Direct taxes paid [net of refunds]	(22)	(273)
<b>Net cash from/ [used in] operating activities</b>	<b>3,667</b>	<b>(1,627)</b>
<b>B Cash flows from investing activities:</b>		
Purchase of Property, plant and equipment and Other intangible assets	(1,211)	(446)
Proceeds from sale of Property, plant and equipment	22	9
Repayment of loan by subsidiaries	9,800	5,012
Loan given to subsidiaries	(8,465)	(2,298)
Investment in liquid mutual fund [net]	(1,446)	(1,201)
Interest received	1,366	1,655
<b>Net cash from investing activities</b>	<b>66</b>	<b>2,731</b>

# CASH FLOW STATEMENT

For the year ended March 31, 2023

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>C Cash flows from financing activities:</b>		
Current Borrowings [net - (repayment)]	(4,600)	(375)
Repayment of lease liabilities	(21)	(23)
Interest paid	(123)	(183)
Dividend paid	(3,189)	(3,188)
<b>Net cash used in financing activities</b>	<b>(7,933)</b>	<b>(3,769)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,200)</b>	<b>(2,665)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,735</b>	<b>8,400</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,535</b>	<b>5,735</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 ₹ 48 [₹ 55] lakhs not available for immediate use.
- Cash and cash equivalents comprise of:

₹ in Lakhs

Particulars	Note No.	As at March 31		
		2023	2022	2021
a Cash on hand	13 [A]	2	2	-
b Balances with banks	13 [A], 13 [B]	1,533	5,733	8,400
<b>Total</b>		<b>1,535</b>	<b>5,735</b>	<b>8,400</b>

- Summary of Cash and cash equivalents, Liquid Mutual funds and Fixed Deposits more than 12 months:

₹ in Lakhs

Particulars	Note No.	As at March 31		
		2023	2022	2021
a Cash and cash equivalents	13 [A], 13 [B]	1,535	5,735	8,400
b Investment in liquid mutual funds	11	2,686	1,202	-
<b>Total</b>		<b>4,221</b>	<b>6,937</b>	<b>8,400</b>

- Change in liability arising from financing activities:

₹ in Lakhs

Particulars	Borrowings [Refer Note 21]	
	Current	Total
<b>As at March 31, 2021</b>	<b>4,975</b>	<b>4,975</b>
Cash Flow [net]	(375)	(375)
<b>As at March 31, 2022</b>	<b>4,600</b>	<b>4,600</b>
Cash Flow [net]	(4,600)	(4,600)
<b>As at March 31, 2023</b>	<b>-</b>	<b>-</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 17, 2023

**Dr. Sharvit P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 17, 2023

**Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 17, 2023

**Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Date: May 17, 2023

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 17, 2023

# STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2023

## A Equity Share Capital:

Particulars	No. of Shares	₹ in Lakhs
<b>Equity Shares of ₹ 10/- each, Issued, subscribed and fully paid-up:</b>		
As at March 31, 2021	6,36,32,144	6,363
As at March 31, 2022	6,36,32,144	6,363
<b>As at March 31, 2023</b>	<b>6,36,32,144</b>	<b>6,363</b>

## B Other Equity:

₹ in Lakhs

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
<b>As at March 31, 2021</b>	<b>3,53,701</b>	<b>4,500</b>	<b>37,365</b>	<b>3,95,566</b>
Add: Profit for the year	-	-	1,270	1,270
Add: Other Comprehensive Income	-	-	1	1
Total Comprehensive Income	-	-	1,271	1,271
Transactions with Owners in their capacity as owners:				
Dividends	-	-	(3,182)	(3,182)
<b>As at March 31, 2022</b>	<b>3,53,701</b>	<b>4,500</b>	<b>35,454</b>	<b>3,93,655</b>
Add: Profit for the year	-	-	6,642	6,642
Less: Other Comprehensive Income	-	-	(50)	(50)
Total Comprehensive Income	-	-	6,592	6,592
Transactions with Owners in their capacity as owners:				
Dividends	-	-	(3,182)	(3,182)
<b>As at March 31, 2023</b>	<b>3,53,701</b>	<b>4,500</b>	<b>38,864</b>	<b>3,97,065</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 17, 2023

### Dr. Sharvil P. Patel

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 17, 2023

### Tarun Arora

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 17, 2023

### Umesh V. Parikh

Chief Financial Officer

Place: Ahmedabad

Place: Ahmedabad

Date: May 17, 2023

### Nandish P. Joshi

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 17, 2023

# 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 17, 2023.

## Note: 2 - Significant Accounting Policies:

**A** The following note provides list of the significant 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:

Significant judgments are involved in making estimates about the 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 significant 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.

**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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

- 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.
- h Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax.
- i The Company 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 company 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 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 Company will be liable to pay normal tax during the specified period.

### **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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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.
- 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 of four years 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



# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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.

## 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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 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.

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 dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

### 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" [SPP] on the principal amount outstanding.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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 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 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:

- a 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 and loss.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 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 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:

The Company has adopted Ind AS 116 "Leases" which is effective for an annual period beginning on or after from April 1, 2019. The following is the significant accounting policy related to Ind AS 116.

The adoption of this Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

The Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 did not have any impact to be recognised in equity as an adjustment to the opening balance of retained earnings for the current period. For contracts in place at the date of initial application, the Company has elected to apply the definition of lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17. The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being April 1, 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

### **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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 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 under Companies [Indian Accounting Standards] Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies [Indian Accounting Standards] Amendment Rules, 2022, applicable from April 1, 2023, as below:

#### a Ind AS 1 - Presentation of Financial Statements:

The amendments requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Company does not expect the amendment to have any material impact on its financial statements.

#### b Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments has introduced a definition of "accounting estimates" and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company does not expect the amendment to have any material impact in its financial statements.

#### c Ind AS 12 - Income Taxes:

The amendment requires entities to recognize deferred tax on transactions that, in initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This amendment has narrowed the scope of the initial recognition exemption. The Company does not expect the amendment to have any impact on its financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 3 - Property, plant and equipment & Intangible Assets:

#### [A] Property, Plant and Equipment:

₹ in Lakhs

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, 2021</b>	49	3	702	4,408	290	220	180	5,852
Additions	-	-	26	312	-	45	1	384
Disposals	-	-	-	(12)	(2)	(9)	(1)	(24)
<b>As at March 31, 2022</b>	49	3	728	4,708	288	256	180	6,212
Additions	-	-	677	549	4	87	20	1,337
Disposals	-	-	-	(390)	-	(55)	(7)	(452)
<b>As at March 31, 2023</b>	49	3	1,405	4,867	292	288	193	7,097
<b>Depreciation and Impairment:</b>								
<b>As at March 31, 2021</b>	-	3	283	3,045	189	76	152	3,748
Depreciation for the year	-	-	36	186	25	22	9	278
Disposals	-	-	-	(11)	(1)	(1)	(1)	(14)
<b>As at March 31, 2022</b>	-	3	319	3,220	213	97	160	4,012
Depreciation for the year	-	-	41	239	24	30	11	345
Disposals	-	-	-	(389)	-	(28)	(7)	(424)
<b>As at March 31, 2023</b>	-	3	360	3,070	237	99	164	3,933
<b>Net Block:</b>								
<b>As at March 31, 2022</b>	49	-	409	1,488	75	159	20	2,200
<b>As at March 31, 2023</b>	49	-	1,045	1,797	55	189	29	3,164

#### [B] Intangible Assets:

₹ in Lakhs

Particulars	Goodwill	Other intangible assets				Total
		Brand/ Trade Mark	Softwares	Commercial Rights	Technical Know-how	
<b>Gross Block:</b>						
<b>As at March 31, 2021</b>	2,282	5	41	10	2	58
Additions	-	-	5	-	-	5
<b>As at March 31, 2022</b>	2,282	5	46	10	2	63
Additions	-	-	-	-	-	-
<b>As at March 31, 2023</b>	2,282	5	46	10	2	63
<b>Amortisation and Impairment:</b>						
<b>As at March 31, 2021</b>	-	5	22	10	2	39
Amortisation for the year	-	-	6	-	-	6
<b>As at March 31, 2022</b>	-	5	28	10	2	45
Amortisation for the year	-	-	7	-	-	7
<b>As at March 31, 2023</b>	-	5	35	10	2	52
<b>Net Block:</b>						
<b>As at March 31, 2022</b>	2,282	-	18	-	-	18
<b>As at March 31, 2023</b>	2,282	-	11	-	-	11



# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## Note: 3 - Property, plant and equipment & Intangible Assets: (Contd..)

### [C] Ageing of Capital work-in-progress (CWIP):

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Projects in progress:</b>		
Less than 1 year	47	167
1 - 2 years	-	10
<b>Total Capital work-in-progress</b>	<b>47</b>	<b>177</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 Lakhs

Particulars	Face Value [*]	Nos.[**]	As at March 31, 2023	As at March 31, 2022
Investments in Subsidiaries				
Investments in equity instruments			2,30,283	2,30,283
Investments in preference shares			1,36,842	1,36,842
<b>Total</b>			<b>3,67,125</b>	<b>3,67,125</b>
A Details of Investments in Subsidiaries				
Investments in equity instruments [valued at cost]:				
Subsidiary Companies [Unquoted]:				
In fully paid-up equity shares of:				
Zydus Wellness Products Limited	10	17,28,90,343	2,30,206	2,30,206
Liva Nutritions Limited	10	50,000	5	5
Liva Investment Limited	10	2,50,000	25	25
Zydus Wellness International DMCC	AED 1000	250	47	47
			<b>2,30,283</b>	<b>2,30,283</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	4,36,06,742	1,36,542	1,36,542
Liva Nutritions Limited	10	30,00,000	300	300
			<b>1,36,842</b>	<b>1,36,842</b>
<b>Total</b>			<b>3,67,125</b>	<b>3,67,125</b>
B Aggregate book value of unquoted investment			3,67,125	3,67,125
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 Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Loans to related party [*]	11,700	21,690
<b>Total</b>	<b>11,700</b>	<b>21,690</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 [\*\*]:

	As at March 31, 2023			As at March 31, 2022		
	Non-Current	Current [Refer Note 14]	Maximum Outstanding balance	Non-Current	Current [Refer Note 14]	Maximum Outstanding balance
A Subsidiary Companies:						
a Zydus Wellness Products Limited	11,700	8,300	21,500	21,500	-	24,400
b Zydus Wellness International DMCC	-	370	370	190	-	483
<b>Total</b>	<b>11,700</b>	<b>8,670</b>		<b>21,690</b>	<b>-</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 Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Security deposits	48	48
<b>Total</b>	<b>48</b>	<b>48</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 Lakhs

Particulars	As at March 31, 2021	Impact for the previous year	As at March 31, 2022	Impact for the current year	As at March 31, 2023
<b>Deferred tax liabilities</b>					
Depreciation	51	52	103	(26)	77
	<b>51</b>	<b>52</b>	<b>103</b>	<b>(26)</b>	<b>77</b>
<b>Deferred tax assets</b>					
Employee benefits	131	(10)	121	26	147
Business loss	1,912	810	2,722	1,889	4,611
Provision for Expiry and Breakages	5	(2)	3	(3)	-
Others	1	2	3	2	5
	<b>2,049</b>	<b>800</b>	<b>2,849</b>	<b>1,914</b>	<b>4,763</b>
<b>Net Deferred Tax Assets</b>	<b>1,998</b>	<b>748</b>	<b>2,746</b>	<b>1,940</b>	<b>4,686</b>

- The Net deferred tax assets of ₹ 1,940 Lakhs [March 31, 2022: ₹ 748 Lakhs] for the year has been 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 ₹ 18,323 Lakhs [March 31, 2022: ₹ 23,342 Lakhs] 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:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Capital advances	68	64
Balances with statutory authorities	8	8
<b>Total</b>	<b>76</b>	<b>72</b>

## Note: 9 - Assets for tax [net]:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Advance payment of tax	539	514
[Net of provision for taxation of ₹ 349 Lakhs (as at March 31, 2022: ₹ 349 Lakhs)]		
<b>Total</b>	<b>539</b>	<b>514</b>

## Note: 10 - Inventories:

[The Inventory is valued at lower of cost and net realisable value]

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Classification of Inventories:</b>		
Raw Materials	426	304
Work-in-progress	5	4
Finished Goods	286	427
Stock-in-Trade	16	16
Stores and Spares	4	16
Others:		
Packing Materials	163	138
<b>Total</b>	<b>900</b>	<b>905</b>
The above includes Goods in transit as under:		
Raw Materials	41	23
Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories:		
- Net of reversal of write down	22	294

## Note: 11 - Investments:

₹ in Lakhs

Particulars	Nos.[*]	As at March 31, 2023	As at March 31, 2022
Investment in Mutual Funds [Quoted] [Valued at fair value through profit or loss]			
ICICI prudential Overnight Fund DP Growth	222292.838 [699326.971]	2,686	802
SBI overnight fund direct growth plan	0 [11557.854]	-	400
<b>Total</b>		<b>2,686</b>	<b>1,202</b>
A. Aggregate amount of quoted investments and market value thereof		2,686	1,202
[*] In "Nos." figures of previous year are stated in [ ]			

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 12 - Trade receivables:

₹ in Lakhs

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Unsecured - Considered good	291	1,102
Unsecured - Credit impaired	8	8
	<b>299</b>	<b>1,110</b>
Less: Allowances for credit losses	(8)	(8)
<b>Total</b>	<b>291</b>	<b>1,102</b>

### Ageing of Trade receivables :

#### [A] As at March 31, 2023

₹ in Lakhs

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	253	37	1	-	-	-	<b>291</b>
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	1	4	3	-	<b>8</b>
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>253</b>	<b>37</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>299</b>
Less: Allowances for credit losses							<b>(8)</b>
<b>Trade Receivables</b>							<b>291</b>

#### [B] As at March 31, 2022

₹ in Lakhs

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	819	278	5	-	-	-	<b>1,102</b>
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	4	4	-	-	<b>8</b>
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>819</b>	<b>278</b>	<b>9</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>1,110</b>
Less: Allowances for credit losses							<b>(8)</b>
<b>Trade Receivables</b>							<b>1,102</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 13 [A] - Cash and cash equivalents:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks	1,485	308
Cash on hand	2	2
<b>Total</b>	<b>1,487</b>	<b>310</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 available for use.

### Note: 13 [B] - Bank balance other than cash and cash equivalents:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked balances with bank for unclaimed dividend accounts	48	55
Fixed deposits	-	5,370
<b>Total</b>	<b>48</b>	<b>5,425</b>

### Note: 14 - Loans

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Loans to related party [*]	8,670	-
<b>Total</b>	<b>8,670</b>	<b>-</b>
[*] Details of Loans to Related Parties [Refer Note-37 for relationship] are as under:		
A Subsidiaries Companies		
a Zydus Wellness Products Limited	8,300	-
b Zydus Wellness International DMCC	370	-
<b>Total</b>	<b>8,670</b>	<b>-</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 Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Interest receivable but not due [*]	504	556
Other receivables	178	178
<b>Total</b>	<b>682</b>	<b>734</b>
[*] Details of interest receivable from Related Parties are as under:		
A Subsidiaries Companies		
a Zydus Wellness Products Limited	503	552
b Zydus Wellness International DMCC	1	4
<b>Total</b>	<b>504</b>	<b>556</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 16 - Other current assets:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Advances to suppliers	69	62
Prepaid expenses	15	17
Balances with statutory authorities	2,157	2,421
<b>Total</b>	<b>2,241</b>	<b>2,500</b>

### Note: 17 - Equity share capital:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised:</b>		
10,00,00,000 [as at March 31, 2022: 10,00,00,000] Equity shares of ₹ 10 each	₹ in Lakhs 10,000	10,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>
<b>Issued, subscribed and fully paid-up:</b>		
6,36,32,144 [as at March 31, 2022: 6,36,32,144] Equity shares of ₹ 10 each	₹ in Lakhs 6,363	6,363
<b>Total</b>	<b>6,363</b>	<b>6,363</b>

Particulars	As at March 31, 2023	As at March 31, 2022
A. The reconciliation in number of Equity shares is as under:		
Number of shares at the beginning and end of the year	6,36,32,144	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 [Formerly known as Cadila Healthcare Limited]		
Number of Shares	3,66,47,509	3,66,47,509
% to total share holding	57.59%	57.59%
Zydus Family Trust		
Number of Shares	56,27,573	45,93,193
% to total share holding	8.84%	7.22%
Threpsi Care LLP (True North)		
Number of Shares	72,20,216	72,20,216
% to total share holding	11.35%	11.35%
D. Number of Shares held by Holding Company		
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	3,66,47,509	3,66,47,509

# 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, 2023

Sr. No.	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Lifesciences Limited	3,66,47,509	57.59%	0.00%
2	Zydus Family Trust	56,27,573	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%

### As at March 31, 2022

Sr. No.	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Lifesciences Limited	3,66,47,509	57.59%	0.00%
2	Zydus Family Trust	45,93,193	7.22%	0.00%
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 Lakhs	
	As at March 31, 2023	As at March 31, 2022
<b>Securities Premium: [*]</b>		
Balance as per last Balance Sheet	3,53,701	3,53,701
<b>General Reserve: [**]</b>		
Balance as per last Balance Sheet	4,500	4,500
<b>Retained Earnings:</b>		
Balance as per last Balance Sheet	35,454	37,365
Add: Profit for the year	6,642	1,270
Add/ [Less]: Other Comprehensive Income for the year		
Re-measurement gains/ [losses] on defined benefit plans [net of tax]	(50)	1
	<b>42,046</b>	<b>38,636</b>
Less: Dividends	(3,182)	(3,182)
	<b>(3,182)</b>	<b>(3,182)</b>
<b>Balance as at the end of the year</b>	<b>38,864</b>	<b>35,454</b>
<b>Total</b>	<b>3,97,065</b>	<b>3,93,655</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 Lakhs	
	As at March 31, 2023	As at March 31, 2022
Others deposits	108	87
<b>Total</b>	<b>108</b>	<b>87</b>

### Note: 20 - Provisions:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	283	171
<b>Total</b>	<b>283</b>	<b>171</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 take 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 Lakhs

Particulars	March 31, 2023			March 31, 2022		
	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	48	359	330	53	383	300
Transfer in/ [out] Obligation	-	-	7	(14)	(42)	(28)
Interest cost	3	23	22	3	22	18
Current service cost	4	43	57	4	40	55
Benefits paid	-	(40)	(15)	-	(50)	(17)
Actuarial [gains] / losses on obligation due to:						
Experience adjustments	11	68	77	5	23	18
Change in financial assumptions	(3)	(25)	(18)	(3)	(17)	(16)
<b>Closing obligation</b>	<b>63</b>	<b>428</b>	<b>460</b>	<b>48</b>	<b>359</b>	<b>330</b>
<b>C Change in the fair value of plan assets:</b>						
Opening fair value of plan assets	-	177	333	-	163	280
Transfer in/ [out] Obligation	-	-	(28)	-	-	(4)
Return on plan assets excluding amounts included in interest income	-	2	(9)	-	4	3
Expected return on plan assets	-	12	23	-	10	18
Contributions by employer	-	-	60	-	-	53
Benefits paid	-	-	(15)	-	-	(17)
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>191</b>	<b>364</b>	<b>-</b>	<b>177</b>	<b>333</b>
<b>Total actuarial [gains]/ losses to be recognised</b>	<b>(8)</b>	<b>(43)</b>	<b>(59)</b>	<b>(2)</b>	<b>(6)</b>	<b>(2)</b>
<b>D Actual return on plan assets:</b>						
Expected return on plan assets	-	12	23	-	10	18
<b>E Amount recognised in the balance sheet:</b>						
Liabilities/[Assets] at the end of the year	63	428	460	48	359	330
Fair value of plan assets at the end of the year	-	(191)	(364)	-	(177)	(333)
<b>Liabilities/ [Assets] recognised in the Balance Sheet [*]</b>	<b>63</b>	<b>237</b>	<b>96</b>	<b>48</b>	<b>182</b>	<b>(3)</b>
<b>F Expenses / [Incomes] recognised in the Statement of Profit and Loss:</b>						
Current service cost	4	43	57	4	40	55
Interest cost on benefit obligation	3	23	22	3	22	18
Expected return on plan assets	-	(12)	(23)	-	(10)	(18)
Return on plan assets excluding amounts included in interest income	-	(2)	-	-	(4)	-
Net actuarial gains/ [losses] in the year	8	43	-	2	6	-
Amount included in "Employee Benefits Expense"	15	95	56	9	54	55
Return on plan assets excluding amounts included in interest income	-	-	9	-	-	(3)
Net actuarial [gains]/ losses in the year	-	-	59	-	-	2
<b>Amounts recognized in Other Comprehensive income [OCI]</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>(1)</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 20 - Provisions: (Contd...)

₹ in Lakhs

Particulars	March 31, 2023			March 31, 2022		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
<b>G Movement in net liabilities recognised in Balance sheet:</b>						
Opening net liabilities	48	182	(3)	53	220	20
Transfer in/ [out] Obligation	-	-	35	(14)	(42)	(24)
Expenses as above [Profit & Loss Charge]	15	95	56	9	54	55
Amount recognised in OCI	-	-	68	-	-	(1)
Contribution to plan assets	-	-	(60)	-	-	(53)
Benefits Paid	-	(40)	-	-	(50)	-
<b>Liabilities/ [Assets] recognised in the Balance Sheet [*]</b>	<b>63</b>	<b>237</b>	<b>96</b>	<b>48</b>	<b>182</b>	<b>(3)</b>
<b>H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:</b>						
Discount rate	7.45%	7.45%	7.45%	6.90%	6.90%	6.90%
[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 ₹ 49 Lakhs [Previous year: ₹ 38 Lakhs].

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6.80 years [as at March 31, 2022 : 7.44 years].

#### Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is shown below:

₹ in Lakhs

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31					
	2023	2022	2023	2022	2023	2022
<b>Impact on obligation:</b>						
Discount rate increase by 0.5%	(2)	(2)	(12)	(12)	(17)	(12)
Discount rate decrease by 0.5%	3	2	13	13	14	13
Annual salary cost increase by 0.5%	3	2	13	13	14	12
Annual salary cost decrease by 0.5%	(2)	(2)	(12)	(12)	(17)	(12)
Withdrawal rate increase by 10%	(1)	(2)	(3)	(3)	(4)	(4)
Withdrawal rate decrease by 10%	3	2	3	4	1	2

## 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 Lakhs	
	As at March 31, 2023	As at March 31, 2022
Within the next 12 months [next annual reporting period]	153	92
Between 2 and 5 years	282	238
Between 6 and 10 years	656	455
<b>Total expected payments</b>	<b>1,091</b>	<b>785</b>

### [\*] Liabilities recognised in the Balance Sheet

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Non-current	283	171
Current [Refer Note 25]	113	56

### Note: 21 - Borrowings:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand:		
Working Capital Loans from Banks [Unsecured]	-	4,600
<b>Total</b>	<b>-</b>	<b>4,600</b>

### Note: 22-Trade payables:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Dues to Micro and Small Enterprises [*]	85	26
Dues to other than Micro and Small Enterprises	1,933	3,090
<b>Total</b>	<b>2,018</b>	<b>3,116</b>

#### [\*] Disclosure in respect of Micro and Small Enterprises:

A. Principal amount remaining unpaid to any supplier as at year end	85	26
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.	1	2
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, 2023

₹ in Lakhs

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]	85	-	-	-	-	85
Undisputed Others	1,410	499	5	15	4	1,933
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
<b>Total</b>	<b>1,495</b>	<b>499</b>	<b>5</b>	<b>15</b>	<b>4</b>	<b>2,018</b>

#### [B] As at March 31, 2022

₹ in Lakhs

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]	26	-	-	-	-	26
Undisputed Others	2,239	828	18	3	2	3,090
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
<b>Total</b>	<b>2,265</b>	<b>828</b>	<b>18</b>	<b>3</b>	<b>2</b>	<b>3,116</b>

### Note: 23 - Other financial liabilities:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	-	13
Payable to employees	424	526
Unpaid dividends [*]	48	55
<b>Total</b>	<b>472</b>	<b>594</b>

[\*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

### Note: 24 - Other current liabilities:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers	12	159
Payable to statutory authorities	218	193
<b>Total</b>	<b>230</b>	<b>352</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 25 - Provisions:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits [*]	113	56
Provision for claims for product expiry and return of goods [**]	-	8
<b>Total</b>	<b>113</b>	<b>64</b>
[*] Refer Note 20		
[**] 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 retailers. The Company 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	8	16
Add: Provision created during the year	-	57
Less: Provision used during the year	(8)	(65)
Closing balance at the end of the financial year	-	<b>8</b>

### Note: 26 - Contingent liabilities and commitments [to the extent not provided for]:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<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	667	667
- Net of advance of	7	7
ii In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/ Courts	-	32
- Net of advance of	72	34
<b>B Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	455	424
- Net of advance of	68	64

### Note: 27 - Dividend proposed to be distributed:

The Board of Directors, at its meeting held on May 17, 2023, 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 Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	21,829	19,042
Other operating revenues:		
Net Gain on foreign currency transactions and translation	26	3
Royalty income	3,080	2,298
Miscellaneous income	213	282
<b>Total</b>	<b>25,148</b>	<b>21,625</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	21,829	19,748
Less:		
Discounts/ Price Reduction/ Rebates	-	706
	-	<b>706</b>
<b>Revenue from contract with customers</b>	<b>21,829</b>	<b>19,042</b>

### Note: 29 - Other income:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Finance Income:		
Interest income on financial assets measured at amortised cost	1,314	1,539
Net gain on sale of investments	32	-
Gain on investments mandatorily measured at fair value through statement of profit and loss	6	1
<b>Total</b>	<b>1,352</b>	<b>1,540</b>

### Note: 30 - Changes in inventories:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Stock at commencement:		
Work-in-progress	4	1
Finished Goods	427	1,083
Stock-in-trade	16	17
	<b>447</b>	<b>1,101</b>
Less: Stock at close:		
Work-in-progress	5	4
Finished Goods	286	427
Stock-in-trade	16	16
	<b>307</b>	<b>447</b>
<b>Total</b>	<b>140</b>	<b>654</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 31 - Employee benefits expense:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	2,678	2,884
Contribution to provident and other funds [*]	183	187
Staff welfare expenses	44	35
<b>Total</b>	<b>2,905</b>	<b>3,106</b>
Above expenses include:		
Research related expenses:		
Salaries and wages	254	284
Contribution to provident and other funds	18	17
Staff welfare expenses	1	-
<b>Total</b>	<b>273</b>	<b>301</b>
Whole-time Director's Remuneration	125	118
[*] The Company's contribution towards the defined contribution plan	125	130

### Note: 32 - Finance cost:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense [*]	114	201
Bank commission and charges	-	1
<b>Total</b>	<b>114</b>	<b>202</b>
[*] Interest expenses includes:		
On working capital loans	109	194
On lease liabilities	4	6
On others	1	1
<b>Total</b>	<b>114</b>	<b>201</b>

### Note: 33 - Other expenses:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spare parts	82	61
Power and fuel	328	263
Labour charges	466	302
Rent	54	79
Repairs to buildings	5	10
Repairs to plant and machinery	48	92
Repairs to others	98	87
Insurance	49	65
Rates and taxes [excluding taxes on income]	45	33

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 33 - Other expenses: (Contd...)

Particulars	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Traveling expenses	16	57
Legal and professional fees [*]	221	358
Commission on sales	-	113
Freight and forwarding on sales	73	690
Advertisement and sales promotions	-	1,093
Representative allowances	-	31
Other marketing expenses	4	175
Directors' fees	67	59
Commission to independent directors	20	-
Remuneration to independent directors	-	20
Allowances of credit losses		
Expected credit loss	-	5
Net Loss on disposal of Property, plant and equipment [Net of gain of ₹ 1 (Previous Year: ₹ NIL) Lakhs]	6	1
Miscellaneous expenses	196	214
<b>Total</b>	<b>1,778</b>	<b>3,808</b>
Above expenses include Research related expenses as follows:		
Consumption of Stores and spare parts	-	1
Repairs to others	1	3
Miscellaneous expenses	61	78
<b>Total</b>	<b>62</b>	<b>82</b>
[*] Legal and professional fees include:		
a Payment to the Statutory Auditors [excluding Taxes]:		
As Auditor	10	9
For Other Services	4	3
<b>Total</b>	<b>14</b>	<b>12</b>
b Cost Auditor's Remuneration including fees for other services	3	3
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:

Particulars	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Statement of profit and loss:</b>		
<b>Profit or loss section:</b>		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	(3)	-
Deferred tax relating to origination and reversal of temporary differences	(1,922)	(748)
<b>Total reported in profit or loss</b>	<b>(1,925)</b>	<b>(748)</b>
<b>OCI Section:</b>		
Tax related to items recognised in OCI during the year:		
Net loss on remeasurements of defined benefit plans	(18)	-
<b>Tax charged to OCI</b>	<b>(18)</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 34 - Tax expense: (Contd..)

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>B. Reconciliation of tax expense and accounting profit/ loss multiplied by India's domestic tax rate:</b>		
<b>Profit before tax:</b>	4,717	522
Enacted Tax Rate in India (%)	25.17%	26.00%
<b>Expected Tax Expenses</b>	<b>1,187</b>	<b>136</b>
Adjustments for:		
Effect of unrecognised deferred tax assets/ liabilities	(2,943)	(909)
Effect of differences in tax rate	(160)	-
Effect of other non-deductible expenses	(6)	22
Others	(3)	3
<b>Tax expense as per Profit or loss</b>	<b>(1,925)</b>	<b>(748)</b>

### Note: 35 - Calculation of Earnings per equity share [EPS]:

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
A. The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
i. Profit attributable to Shareholders	₹- in Lakhs	6,642	1,270
ii. Basic and weighted average number of Equity shares outstanding during the year	Numbers	6,36,32,144	6,36,32,144
iii. Nominal value of equity share	₹	10	10
iv. Basic & diluted Earnings per equity share [EPS]	₹	10.44	2.00

### Note: 36 - Segment Information:

Segment Information has been given in the Consolidated Financial Statements of the Company. Hence, as per Ind AS-108 "Operating Segments" issued by the Institute of Chartered Accountants of India, no separate disclosure on segment information is given in these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 37 - Related Party Transactions:

#### A Name of the Related Parties and Nature of the Related Party Relationship with whom transactions have taken place:

<b>a</b>	<b>Entity having control over Holding Company :</b> Zydus Family Trust	
<b>b</b>	<b>Holding Company:</b> Zydus Lifesciences Limited [Formerly known as Cadila Healthcare 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]
	Violio Healthcare Limited	Hercon Pharmaceuticals LLC [USA]
	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	Simayla Pharmaceuticals (Pty) Ltd [South Africa]
	Zydus Foundation *	Script Management Services (Pty) Ltd [South Africa]
	M/s. 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]	
<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
	Mr. Ashish P. Bhargava	Nominee Director
	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:</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.

# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## Note: 37 - Related Party Transactions: (Contd...)

### 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 Lakhs

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					
	2023	2022	2023	2022	2023	2022
<b>Sales:</b>						
<b>Goods:</b>						
Zydus Wellness Products Limited	-	-	21,685	10,490	-	-
Zydus Wellness International DMCC	-	-	130	134	-	-
<b>Royalty:</b>						
Zydus Wellness Products Limited	-	-	3,080	2,298	-	-
<b>Services:</b>						
Zydus Wellness Products Limited	-	-	116	-	-	-
<b>Property, Plant and Equipment:</b>						
Zydus Wellness Products Limited	-	-	3	-	-	-
<b>Reimbursement of Expenses Recovered:</b>						
Zydus Wellness International DMCC	-	-	73	62	-	-
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	3	-	-	-	-	-
Zydus Wellness Products Limited	-	-	384	-	-	-
<b>Purchase:</b>						
<b>Goods:</b>						
Zydus Wellness Products Limited	-	-	1,565	451	-	-
Zydus Healthcare Limited	-	-	-	1	-	-
<b>Services:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	60	72	-	-	-	-
<b>Property, Plant and Equipment:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	0	-	-	-	-	-
[Purchase of Property, Plant and Equipment of ₹3,114]						
Zydus Wellness Products Limited	-	-	37	-	-	-
<b>Reimbursement of Expenses:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	9	9	-	-	-	-
Zydus Wellness Products Limited	-	-	-	80	-	-

# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## Note: 37 - Related Party Transactions: (Contd...)

₹ in Lakhs

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					
	2023	2022	2023	2022	2023	2022
<b>Finance:</b>						
<b>Intercompany Loan given:</b>						
Zydus Wellness International DMCC	-	-	165	298	-	-
Zydus Wellness Products Limited	-	-	8,300	2,000	-	-
<b>Intercompany Loan repaid by:</b>						
Zydus Wellness International DMCC	-	-	-	112	-	-
Zydus Wellness Products Limited	-	-	9,800	4,900	-	-
<b>Interest Income:</b>						
Zydus Wellness International DMCC	-	-	4	4	-	-
Zydus Wellness Products Limited	-	-	1,075	1,154	-	-
<b>Contributions during the year (includes Employee's share and contribution):</b>						
Zydus Wellness Limited Employee Group Gratuity Scheme	-	-	-	-	60	53
<b>Dividend Paid:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	1,832	1,832	-	-	-	-
Zydus Family Trust	240	230	-	-	-	-
<b>Outstanding Receivable:</b>						
Zydus Wellness Products Limited	-	-	20,688	22,948	-	-
Zydus Wellness International DMCC	-	-	470	235	-	-
<b>Outstanding Payable:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	112	52	-	-	-	-

### b Details relating to persons referred to in Note 37-A [e] and [f] above:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Salaries and other employee benefits to Whole time directors and KMPs	292	272
(ii) Commission and Sitting Fees to Non Executive/ Independent Directors	87	59
(iii) Remuneration to Independent Directors	-	20
(iv) Outstanding payable to above (i), (ii) and (iii)	46	45

### c Details relating to persons referred to in Note 37-A [g] and [h] above:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Purchase of services	12	13

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 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 Lakhs

Particulars	As at March 31, 2023				As at March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Investments at FVTPL								
Mutual funds	2,686	-	-	2,686	1,202	-	-	1,202
<b>Total</b>	<b>2,686</b>	<b>-</b>	<b>-</b>	<b>2,686</b>	<b>1,202</b>	<b>-</b>	<b>-</b>	<b>1,202</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: Fair values of loans, other financial liabilities and trade payables are considered to be approximately equal to the carrying values. Fair values of investment in preference shares were calculated based on cash flows discounted using the applicable adjusted market interest rates.

### Note: 39 - Financial risk management:

#### (i) Financial instruments by category:

₹ in Lakhs

Particulars	As at March 31, 2023				As at March 31, 2022			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
<b>Financial assets</b>								
Investments	2,686	-	-	2,686	1,202	-	-	1,202
Trade receivables	-	-	291	291	-	-	1,102	1,102
Cash and cash equivalents	-	-	1,487	1,487	-	-	310	310
Bank balance other than cash and cash equivalents	-	-	48	48	-	-	5,425	5,425
Loans	-	-	20,370	20,370	-	-	21,690	21,690
Other financial assets	-	-	730	730	-	-	782	782
<b>Total</b>	<b>2,686</b>	<b>-</b>	<b>22,926</b>	<b>25,612</b>	<b>1,202</b>	<b>-</b>	<b>29,309</b>	<b>30,511</b>
<b>Financial liabilities</b>								
Borrowings	-	-	-	-	-	-	4,600	4,600
Lease liabilities	-	-	31	31	-	-	48	48
Trade payables	-	-	2,018	2,018	-	-	3,116	3,116
Other financial liabilities	-	-	580	580	-	-	681	681
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,629</b>	<b>2,629</b>	<b>-</b>	<b>-</b>	<b>8,445</b>	<b>8,445</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 39 - Financial risk management: (Contd...)

#### (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, 2023 and March 31, 2022. 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 Lakhs	
	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables:</b>		
Less than 180 days	290	1,097
180 - 365 days	1	5
<b>Total</b>	<b>291</b>	<b>1,102</b>

Movement in the expected credit loss allowance on trade receivables:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	8	3
Addition	-	5
<b>Balance at the end of the year</b>	<b>8</b>	<b>8</b>

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## Note: 39 - Financial risk management: (Contd...)

### B Liquidity risk:

- a 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.
- b 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.

₹ in Lakhs

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	22	13	-	-	35
Trade payables	2,018	-	-	-	2,018
Other financial liabilities (excluding interest accrued but not due)	472	-	-	108	580
<b>Total</b>	<b>2,512</b>	<b>13</b>	<b>-</b>	<b>108</b>	<b>2,633</b>

₹ in Lakhs

Particulars	As at March 31, 2022				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings (including interest accrued but not due)	4,772	-	-	-	4,772
Lease liabilities	22	22	13	-	57
Trade payables	3,116	-	-	-	3,116
Other financial liabilities (excluding interest accrued but not due)	581	-	-	87	668
<b>Total</b>	<b>8,491</b>	<b>22</b>	<b>13</b>	<b>87</b>	<b>8,613</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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 39 - Financial risk management: (Contd...)

#### a Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed as follows:

₹ in Lakhs

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Exposure of USD</b>		
<b>Financial assets:</b>		
Trade receivable	100	42
Loans to related parties along with interest	371	194
<b>Total exposure to foreign currency risk [assets]</b>	<b>471</b>	<b>236</b>
<b>Financial liabilities:</b>		
Trade payable	1	-
<b>Total exposure to foreign currency risk [liabilities]</b>	<b>1</b>	<b>-</b>
<b>Net exposure to foreign currency risk [assets]</b>	<b>470</b>	<b>236</b>
<b>Exposure of Other Foreign Currency</b>		
<b>Financial liabilities:</b>		
Trade payable	15	47
<b>Total exposure to foreign currency risk [liabilities]</b>	<b>15</b>	<b>47</b>
<b>Net exposure to foreign currency risk [liabilities]</b>	<b>(15)</b>	<b>(47)</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 Lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Movement in Rate *	Impact on PAT	Movement in Rate *	Impact on PAT
USD	8%	28	4%	7
USD	(8%)	(28)	(4%)	(7)
Others	6%	(1)	2%	(1)
Others	(6%)	1	(2%)	1

\* Holding all other variables constant

#### D Interest rate risk:

##### Liabilities:

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2023, 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:

₹ in Lakhs

Particulars	Movement in Rate *	As at	As at
		March 31, 2023	March 31, 2022
Interest rates	0.50%	-	(17)
Interest rates	(0.50%)	-	17

\* Holding all other variables constant



# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## Note: 39 - Financial risk management: (Contd...)

### 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 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 Lakhs	
		As at March 31, 2023	As at March 31, 2022
<b>Mutual Funds [Quoted]</b>			
Increase	2%	40	18
Decrease	(2%)	(40)	(18)

\* 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, 2023	As at March 31, 2022
Gross debts	₹ in Lakhs	-	4,600
Total equity	₹ in Lakhs	4,03,428	4,00,018
Gross debt to equity ratio [No. of times]		-	0.01

As at March 31,2023 and March 31,2022, there are no covenant applicable to the Company.

## 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 Lakhs	
Right of use assets		Total	
<b>Balance as at April 1, 2021 [net]</b>		<b>60</b>	
Depreciation charge for the year		(17)	
<b>Balance as at March 31, 2022 [net]</b>		<b>43</b>	
Depreciation charge for the year		(17)	
<b>Balance as at March 31, 2023 [net]</b>		<b>26</b>	

The Company leases assets include office buildings.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### Note: 41 - Leases: (Contd...)

#### Movement in lease liabilities:

₹ in Lakhs

Lease liabilities	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	48	65
Redemptions	(17)	(17)
<b>Balance at the end of the year</b>	<b>31</b>	<b>48</b>
of which:		
Non-current portions	12	31
Current portions	19	17

#### 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 Lakhs

Minimum lease payments due	As at March 31, 2023	As at March 31, 2022
Within 1 years	22	22
1-5 years	13	34
<b>Total</b>	<b>35</b>	<b>56</b>

### Note: 42 - Analytical Ratios:

Sr. No.	Ratio	Numerator	Denominator	FY 2022-2023	FY 2021-2022	% of variance	Refer note
1	Current Ratio (in times)	Current Assets	Current Liabilities	5.96	1.39	329%	i
2	Debt-Equity Ratio (in times)	Total Debt	Equity	-	0.01	(100%)	ii
3	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	33.63	(2.63)	(1,379%)	iii
4	Return on Equity Ratio (in %)	Net Profits after taxes	Average shareholder equity	0.17	0.32	(47%)	iv
5	Inventory turnover ratio (in times)	Net Sales	Average Inventory	24.19	15.72	54%	v
6	Trade Receivables turnover ratio (in times)	Net Sales	Average Trade Receivables	31.34	29.92	5%	-
7	Trade payables turnover ratio (in times)	Net Purchases	Average Trade Payables	7.17	5.74	25%	vi
8	Net capital turnover ratio (in times)	Net Sales	Working Capital	1.54	5.54	(72%)	i, v
9	Net profit ratio (in %)	Net Profits	Net Sales	30.43	6.67	356%	iv
10	Return on Capital employed (in %)	Earnings before interest and taxes	Average Capital Employed	1.20	0.18	567%	iv
11	Return on investments (in %)						
a	Fixed Deposits	Income generated from investments	Average of investments	8.08	5.75	41%	vii
b	Mutual Funds	Income generated from investments	Average of investments	1.95	0.17	1047%	vii

#### Notes

- i Mainly due to decrease in trade payables and full repayment of borrowings.
- ii Full repayment of borrowings.

# NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## Note: 42 - Analytical Ratios: (Contd...)

- iii Mainly due to reduction in finance cost on account of full repayment of borrowings and increase in profitability.
- iv Increase in profits mainly due to a) Increase in revenues; b) Lower advertisement spends; c) Recognition of deferred tax asset.
- v Increase in revenues.
- vi Mainly due to shorter payment cycles of certain raw materials.
- vii Increase in investable funds due to greater fund flow on account of increase in profitability and therefore, higher returns.

## Note: 43 - Disclosure of Transaction with Struck Off Companies

The Company did not have any material 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.

## 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 Significant 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 17, 2023

#### Dr. Sharvil P. Patel

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 17, 2023

#### Tarun Arora

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 17, 2023

#### Umesh V. Parikh

Chief Financial Officer

Place: Ahmedabad

Date: May 17, 2023

#### Nandish P. Joshi

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 17, 2023

# 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, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated financial statements, including a summary of significant 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, 2023, 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. Key Audit Matter No.	Auditor's Response
<p><b>1 Assessment of impairment of Goodwill amounting to ₹ 3,92,002 Lakhs and Intangible assets having indefinite useful life amounting to ₹ 53,868 Lakhs respectively (Refer Note 3 of the Consolidated Financial Statements)</b></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, 2023. The Group has carrying value of goodwill and intangible assets amounting to ₹ 3,92,002 and ₹ 53,868 Lakhs 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><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 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 ₹ 3,96,101 Lakhs as at March 31, 2023, total revenues of ₹ 2,28,216 Lakhs, total net loss after tax of ₹ 9,244 Lakhs, total

comprehensive income of ₹ (9,199) Lakhs and net cash outflows amounting to ₹ 8,962 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion 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, 2023 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, 2023 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, 2023.
  - 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. A Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023,



and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

- 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: 23030190BGYYFN9343

Place: Ahmedabad  
Date: May 17, 2023

## “Annexure A” to the Auditors’ Report

### Report on the Internal Financial Control clause (j) 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, 2023, 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, 2023, 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.

For **MUKESH M. SHAH & CO.,**  
Chartered Accountants  
Firm Registration No.: 106625W

**Mukesh M. Shah**

Partner

Membership No.: 030190

UDIN: 23030190BGYYFN9343

Place: Ahmedabad

Date: May 17, 2023

# CONSOLIDATED BALANCE SHEET

As at March 31, 2023

₹ in Lakhs

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS:</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	3 [A]	27,036	24,447
Capital work-in-progress	3 [C]	1,296	1,192
Goodwill	3 [B]	3,92,002	3,92,002
Other intangible assets	3 [B]	54,200	54,545
Financial assets:			
Loans	4	202	-
Other financial assets	5	429	426
Deferred tax assets [net]	6	14,927	12,981
Other non-current assets	7	1,681	1,701
Assets for tax [net]	8	684	554
		<b>4,92,457</b>	<b>4,87,848</b>
<b>Current assets:</b>			
Inventories	9	45,745	36,164
Financial assets:			
Investments	10	6,997	2,702
Trade receivables	11	20,781	14,232
Cash and cash equivalents	12 [A]	3,704	11,538
Bank balance other than cash and cash equivalents	12 [B]	114	5,442
Loan	13	39	-
Other current financial assets	14	2,488	2,101
Other current assets	15	10,914	9,191
		<b>90,782</b>	<b>81,370</b>
Asset classified as held for sale	16	66	-
<b>Total</b>		<b>5,83,305</b>	<b>5,69,218</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Equity share capital	17	6,363	6,363
Other equity	18	5,05,902	4,78,040
		<b>5,12,265</b>	<b>4,84,403</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Financial liabilities:			
Borrowings	19	-	6,250
Lease liabilities	45	346	471
Other financial liabilities	20	127	101
Provisions	21	1,327	1,281
Other non-current liabilities	22	-	31
		<b>1,800</b>	<b>8,134</b>
<b>Current liabilities:</b>			
Financial liabilities:			
Borrowings	23	29,250	31,900
Lease liabilities	45	125	113
Trade payables:			
Dues to Micro and Small Enterprises	24	1,678	1,711
Dues to other than Micro and Small Enterprises	24	29,652	34,717
Other financial liabilities	25	1,905	2,609
Other current liabilities	26	3,861	3,446
Provisions	27	2,769	2,185
		<b>69,240</b>	<b>76,681</b>
<b>Total</b>		<b>5,83,305</b>	<b>5,69,218</b>
<b>Significant 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 17, 2023

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 17, 2023

**Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 17, 2023

**Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Place: Ahmedabad

Date: May 17, 2023

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 17, 2023

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## For the year ended March 31, 2023

₹ in Lakhs

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME:</b>			
Revenue from operations	30	2,25,479	2,00,910
Other income	31	486	1,040
<b>Total Income</b>		<b>2,25,965</b>	<b>2,01,950</b>
<b>EXPENSES:</b>			
Cost of materials consumed		1,10,015	88,494
Purchases of stock-in-trade		11,433	9,463
Changes in inventories of finished goods, work-in-Progress and stock-in-trade	32	(6,850)	80
Employee benefits expense	33	16,730	16,356
Finance costs	34	1,608	2,551
Depreciation and amortisation expense	3 [A], 3 [B]	2,502	2,362
Other expenses	35	60,436	52,042
<b>Total Expenses</b>		<b>1,95,874</b>	<b>1,71,348</b>
<b>Profit before exceptional items and tax</b>		<b>30,091</b>	<b>30,602</b>
Less: Exceptional items	36	1,005	-
<b>Profit before Tax</b>		<b>29,086</b>	<b>30,602</b>
Less: Tax expense:			
Current tax	37	(3)	-
Deferred tax	37	(1,948)	(285)
		<b>(1,951)</b>	<b>(285)</b>
<b>Profit for the year</b>		<b>31,037</b>	<b>30,887</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		(3)	(147)
Income tax effect	37	(2)	46
Items that will be reclassified to profit or loss:			
Exchange differences on transaction of financial statement of a foreign operations		12	20
<b>Other Comprehensive Income for the year [net of tax]</b>		<b>7</b>	<b>(81)</b>
<b>Total Comprehensive Income for the year [net of tax]</b>		<b>31,044</b>	<b>30,806</b>
<b>Profit attributable to:</b>			
Owners of the parent		31,037	30,887
<b>Other Comprehensive Income Attributable to:</b>			
Owners of the parent		7	(81)
<b>Total Comprehensive Income Attributable to:</b>			
Owners of the parent		31,044	30,806
<b>Basic &amp; diluted Earnings per equity share [EPS] after exceptional items [in ₹]</b>	38	48.78	48.54
<b>Basic &amp; diluted Earnings per equity share [EPS] before exceptional items [in ₹]</b>	38	50.36	48.54
<b>Significant 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 &amp; Co.

Chartered Accountants

Firm Registration Number: 106625W

**Mukesh M. Shah**

Partner

Membership Number: 030190

Place: Ahmedabad

Date: May 17, 2023

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 17, 2023

**Tarun Arora**

CEO &amp; Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 17, 2023

**Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Date: May 17, 2023

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 17, 2023

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2023

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A Cash flows from operating activities</b>		
<b>Profit before tax</b>	29,086	30,602
Adjustments for:		
Depreciation and amortisation expense	2,502	2,362
Net loss on disposal of Property, plant and equipment	14	3
Net gain on sale of investments	(144)	-
Gain on investments mandatorily measured at fair value through statement of profit and loss	(11)	(111)
Expected credit loss on trade receivables [net]	-	123
Interest income	(322)	(929)
Interest expense, Bank commission and charges	1,608	2,551
Amortisation of deferred revenue on Government grants	(69)	(69)
Provisions for probable product expiry claims and return of goods	491	73
Provision for employee benefits	136	123
<b>Operating profit before working capital changes</b>	<b>33,291</b>	<b>34,728</b>
Adjustments for:		
[Increase]/ Decrease in inventories	(9,581)	308
Increase in trade receivables	(6,500)	(5,283)
[Increase]/ Decrease in other assets	(2,381)	1,815
Decrease in trade payables	(5,302)	(6,993)
Decrease in other liabilities	(228)	(479)
Cash generated from operations	<b>9,299</b>	<b>24,096</b>
Direct taxes paid [net of refunds]	(128)	(411)
<b>Net cash from operating activities</b>	<b>9,171</b>	<b>23,685</b>
<b>B Cash flows from investing activities:</b>		
Purchase of Property, plant and equipment and Other intangible assets	(4,496)	(7,544)
Proceeds from sale of property, plant and equipment	63	71
Investment in liquid mutual fund [net]	(4,140)	(2,591)
Loans given to other than related party	(241)	-
Investments in non-current fixed deposit [net]	8	540
Interest received	322	929
<b>Net cash used in investing activities</b>	<b>(8,484)</b>	<b>(8,595)</b>
<b>C Cash flows from financing activities:</b>		
Repayment of non-current borrowings	(25,000)	(18,750)
Current Borrowings [net - (repayment)]	16,100	1,925
Repayment of lease liabilities	(168)	(120)
Interest paid	(1,592)	(3,249)
Dividend paid	(3,189)	(3,188)
<b>Net cash used in financing activities</b>	<b>(13,849)</b>	<b>(23,382)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(13,162)</b>	<b>(8,292)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>16,980</b>	<b>25,272</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,818</b>	<b>16,980</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 ₹ 48 [₹ 55] Lakhs not available for immediate use.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2023

5. Cash and cash equivalents comprise of:

₹ in Lakhs

Particulars	Note No.	As at March 31		
		2023	2022	2021
a Cash on hand	12 [A]	10	13	4
b Balances with banks	12 [A], 12 [B]	3,808	16,967	25,268
<b>Total</b>		<b>3,818</b>	<b>16,980</b>	<b>25,272</b>

6. Summary of Cash and cash equivalents, Liquid Mutual funds and Fixed Deposits more than 12 months:

₹ in Lakhs

Particulars	Note No.	As at March 31		
		2023	2022	2021
a Cash and cash equivalents	12 [A], 12 [B]	3,818	16,980	25,272
b Investment in liquid mutual funds	10	6,997	2,702	-
c Fixed deposits more than 12 months	5	38	46	586
<b>Total</b>		<b>10,853</b>	<b>19,728</b>	<b>25,858</b>

7. Change in liability arising from financing activities:

₹ in Lakhs

Particulars	Borrowings [Refer note 19 and 23]		
	Non-current	Current	Total
<b>As at March 31, 2021</b>	<b>50,000</b>	<b>4,975</b>	<b>54,975</b>
Cash Flow [net]	(18,750)	1,925	(16,825)
<b>As at March 31, 2022</b>	<b>31,250</b>	<b>6,900</b>	<b>38,150</b>
Cash Flow [net]	(25,000)	16,100	(8,900)
<b>As at March 31, 2023</b>	<b>6,250</b>	<b>23,000</b>	<b>29,250</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 17, 2023

**Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 17, 2023

**Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 17, 2023

**Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Place: Ahmedabad

Date: May 17, 2023

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 17, 2023

# STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

For the year ended March 31, 2023

## A Equity Share Capital:

Particulars	No. of Shares	₹ in Lakhs
<b>Equity Shares of ₹ 10/- each, Issued, subscribed and fully paid-up:</b>		
As at March 31, 2021	6,36,32,144	6,363
As at March 31, 2022	6,36,32,144	6,363
<b>As at March 31, 2023</b>	<b>6,36,32,144</b>	<b>6,363</b>

## B Other Equity:

₹ in Lakhs

Particulars	Reserves and Surplus			Items of OCI	Total
	Securities Premium	General Reserve	Retained Earnings	Foreign currency translation reserves	
<b>As at March 31, 2021</b>	<b>3,53,701</b>	<b>4,500</b>	<b>92,209</b>	<b>6</b>	<b>4,50,416</b>
Add: Profit for the year	-	-	30,887	-	30,887
Add/ [Less]: Other Comprehensive income	-	-	(101)	20	(81)
Total Comprehensive Income	-	-	30,786	20	30,806
Transactions with Owners in their capacity as owners:					
Dividends	-	-	(3,182)	-	(3,182)
<b>As at March 31, 2022</b>	<b>3,53,701</b>	<b>4,500</b>	<b>1,19,813</b>	<b>26</b>	<b>4,78,040</b>
Add: Profit for the year	-	-	31,037	-	31,037
Add/ [Less]: Other Comprehensive income	-	-	(5)	12	7
Total Comprehensive Income	-	-	31,032	12	31,044
Transactions with Owners in their capacity as owners:					
Dividends	-	-	(3,182)	-	(3,182)
<b>As at March 31, 2023</b>	<b>3,53,701</b>	<b>4,500</b>	<b>1,47,663</b>	<b>38</b>	<b>5,05,902</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 17, 2023

### Dr. Sharvil P. Patel

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 17, 2023

### Tarun Arora

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 17, 2023

### Umesh V. Parikh

Chief Financial Officer

Place: Ahmedabad

Date: May 17, 2023

### Nandish P. Joshi

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 17, 2023



# 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, 2023. 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, SugarLite, 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 17, 2023.

## Note: 2 - Significant Accounting Policies:

**A** The following note provides list of the significant 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, 2023. 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 acquire 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:

Significant judgments are involved in making estimates about the 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 significant 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:

The Group has adopted Ind AS 116 "Leases" which is effective for an annual period beginning on or after from April 1, 2019. The following is the significant accounting policy related to Ind AS 116.

The adoption of this Standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 did not have any impact to be recognised in equity as an adjustment to the opening balance of retained earnings for the current period. For contracts in place at the date of initial application, the Group has elected to apply the definition of lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17. The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being April 1, 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

### As a lessee:

For any new contracts entered into on or after April 1 2019, 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 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 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. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### B Recent Accounting Pronouncements:

The Ministry of Corporate Affairs ["MCA"] notifies new standard or amendments to the existing standards under Companies [Indian Accounting Standards] Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies [Indian Accounting Standards] Amendment Rules, 2022, applicable from April 1, 2023, as below:

**a Ind AS 1 - Presentation of Financial Statements:**

The amendments requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Group does not expect the amendment to have any material impact on its financial statements.

**b Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:**

The amendments has introduced a definition of "accounting estimates" and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Group does not expect the amendment to have any material impact in its financial statements.

**c Ind AS 12 - Income Taxes:**

The amendment requires entities to recognize deferred tax on transactions that, in initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This amendment has narrowed the scope of the initial recognition exemption. The Group does not expect the amendment to have any impact on its financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 3 - Property, plant and equipment & Intangible Assets:

#### [A] Property, Plant and Equipment:

₹ in Lakhs

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, 2021</b>	<b>4,337</b>	<b>1,623</b>	<b>9,693</b>	<b>21,158</b>	<b>665</b>	<b>400</b>	<b>331</b>	<b>38,207</b>
Additions	1,906	-	2,642	1,665	117	76	94	6,500
Disposals	-	-	-	(538)	(52)	(9)	(1)	(600)
<b>As at March 31, 2022</b>	<b>6,243</b>	<b>1,623</b>	<b>12,335</b>	<b>22,285</b>	<b>730</b>	<b>467</b>	<b>424</b>	<b>44,107</b>
Additions	-	-	1,998	2,582	40	106	113	4,839
Disposals	-	-	-	(443)	(15)	(69)	(8)	(535)
Asset held for sale **	-	-	(115)	(35)	(8)	-	(1)	(159)
<b>As at March 31, 2023</b>	<b>6,243</b>	<b>1,623</b>	<b>14,218</b>	<b>24,389</b>	<b>747</b>	<b>504</b>	<b>528</b>	<b>48,252</b>
<b>Depreciation and Impairment:</b>								
<b>As at March 31, 2021</b>	<b>-</b>	<b>128</b>	<b>2,585</b>	<b>14,646</b>	<b>468</b>	<b>188</b>	<b>235</b>	<b>18,250</b>
Depreciation for the year	-	18	499	1,295	46	43	35	1,936
Disposals	-	-	-	(479)	(45)	(1)	(1)	(526)
<b>As at March 31, 2022</b>	<b>-</b>	<b>146</b>	<b>3,084</b>	<b>15,462</b>	<b>469</b>	<b>230</b>	<b>269</b>	<b>19,660</b>
Depreciation for the year	-	18	567	1,376	51	47	48	2,107
Disposals	-	-	-	(413)	(6)	(31)	(8)	(458)
Asset held for sale **	-	-	(64)	(20)	(8)	-	(1)	(93)
<b>As at March 31, 2023</b>	<b>-</b>	<b>164</b>	<b>3,587</b>	<b>16,405</b>	<b>506</b>	<b>246</b>	<b>308</b>	<b>21,216</b>
<b>Net Block:</b>								
<b>As at March 31, 2022</b>	<b>6,243</b>	<b>1,477</b>	<b>9,251</b>	<b>6,823</b>	<b>261</b>	<b>237</b>	<b>155</b>	<b>24,447</b>
<b>As at March 31, 2023</b>	<b>6,243</b>	<b>1,459</b>	<b>10,631</b>	<b>7984</b>	<b>241</b>	<b>258</b>	<b>220</b>	<b>27,036</b>

#### [B] Intangible Assets:

₹ in Lakhs

Particulars	Goodwill	Other intangible assets				Total
		Brand/Trade Mark	Softwares	Commercial Rights	Technical Know-how	
<b>Gross Block:</b>						
<b>As at March 31, 2021</b>	<b>3,92,002</b>	<b>53,873</b>	<b>1,693</b>	<b>10</b>	<b>2</b>	<b>55,578</b>
Additions	-	-	190	-	-	190
<b>As at March 31, 2022</b>	<b>3,92,002</b>	<b>53,873</b>	<b>1,883</b>	<b>10</b>	<b>2</b>	<b>55,768</b>
Additions	-	-	50	-	-	50
<b>As at March 31, 2023</b>	<b>3,92,002</b>	<b>53,873</b>	<b>1,933</b>	<b>10</b>	<b>2</b>	<b>55,818</b>
<b>Amortisation and Impairment:</b>						
<b>As at March 31, 2021</b>	<b>-</b>	<b>5</b>	<b>780</b>	<b>10</b>	<b>2</b>	<b>797</b>
Amortisation for the year	-	-	426	-	-	426
<b>As at March 31, 2022</b>	<b>-</b>	<b>5</b>	<b>1,206</b>	<b>10</b>	<b>2</b>	<b>1,223</b>
Amortisation for the year	-	-	395	-	-	395
<b>As at March 31, 2023</b>	<b>-</b>	<b>5</b>	<b>1,601</b>	<b>10</b>	<b>2</b>	<b>1,618</b>
<b>Net Block:</b>						
<b>As at March 31, 2022</b>	<b>3,92,002</b>	<b>53,868</b>	<b>677</b>	<b>-</b>	<b>-</b>	<b>54,545</b>
<b>As at March 31, 2023</b>	<b>3,92,002</b>	<b>53,868</b>	<b>332</b>	<b>-</b>	<b>-</b>	<b>54,200</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 3 - Property, plant and equipment & Intangible Assets: (Contd..)

#### Goodwill:

- i. 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.
- ii. 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, 2023 and March 31, 2022, 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, 2023	As at March 31, 2022
Long Term Growth Rate	6.50%	6.50%
Discount Rate	10.60%	9.70%

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):

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Projects in progress:</b>		
Less than 1 year	1,044	947
1 - 2 years	234	245
2 - 3 years	18	-
<b>Total Capital work-in-progress</b>	<b>1,296</b>	<b>1,192</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 45 for detailed breakup.

[\*\*] Refer Note 16

### Note: 4 - Loans:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Loan to others	202	-
<b>Total</b>	<b>202</b>	<b>-</b>

### Note: 5 - Other financial assets:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Security deposits	391	380
Fixed deposits with more than 12 months maturity	38	46
<b>Total</b>	<b>429</b>	<b>426</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 6 - Deferred tax assets [net]:

A. Break up of deferred tax liabilities and assets into major components of the respective balances are as under:  
₹ in Lakhs

Particulars	As at March 31, 2021	Impact for the previous year	As at March 31, 2022	Impact for the current year	As at March 31, 2023
<b>Deferred tax liabilities</b>					
Depreciation	1,100	248	1,348	22	1,370
	<b>1,100</b>	<b>248</b>	<b>1,348</b>	<b>22</b>	<b>1,370</b>
<b>Deferred tax assets</b>					
Employee benefits/ Payable to statutory authorities	431	(22)	409	(201)	208
Unabsorbed business loss and depreciation	1,912	810	2,722	1,889	4,611
Provision for Expiry and Breakages	545	24	569	153	722
Disallowance under section 35DD of Income tax Act	32	(16)	16	(16)	-
Disallowance under section 40(a)(ia) of Income tax Act	227	(169)	58	142	200
Others	92	(48)	44	1	45
	<b>3,239</b>	<b>579</b>	<b>3,818</b>	<b>1,968</b>	<b>5,786</b>
<b>Minimum alternative tax credit entitlement</b>	<b>10,511</b>	<b>-</b>	<b>10,511</b>	<b>-</b>	<b>10,511</b>
<b>Net Deferred Tax Assets</b>	<b>12,650</b>	<b>331</b>	<b>12,981</b>	<b>1,946</b>	<b>14,927</b>

- B. The net deferred tax assets of ₹ 1,946 Lakhs [March 31, 2022: ₹ 331 Lakhs] for the year has been credited in the Statement of Profit and Loss.
- C. 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.
- D. The Group has tax losses which arose in India of ₹ 68,110 Lakhs [March 31, 2022: ₹ 93,978 Lakhs] that are available for offsetting for indefinite period, except losses of ₹ 18,323 Lakhs which are available for offset for eight years against future taxable profits of the companies in which the losses arose. Out of ₹ 18,323 Lakhs, 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, 2023 is ₹ 5,414 Lakhs [March 31, 2022: ₹ 5,414 lakhs]. 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.

- E. The deferred tax assets have not been recognised in respect of unabsorbed losses of subsidiaries ₹ 40 [as at March 31, 2022: ₹ 15] Lakhs as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future.

### Note: 7 - Other non-current assets:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Capital advances	281	778
Balances with statutory authorities	1,400	923
<b>Total</b>	<b>1,681</b>	<b>1,701</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 8 - Assets for tax [net]:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Advance payment of tax [Net of provision for taxation of ₹ 8,817 Lakhs (as at March 31, 2022: ₹ 8,817 Lakhs)]	684	554
<b>Total</b>	<b>684</b>	<b>554</b>

### Note: 9 - Inventories:

[The Inventory is valued at lower of cost and net realisable value]

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Classification of Inventories:</b>		
Raw Materials	7,167	5,447
Work-in-progress	11,486	9,540
Finished Goods	21,539	15,381
Stock-in-Trade	1,513	2,767
Store and Spares	952	971
Others:		
Packing Materials	3,088	2,058
<b>Total</b>	<b>45,745</b>	<b>36,164</b>
The above includes Goods in transit as under:		
Raw Materials	66	82
Finished Goods	-	4
Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories:		
- Net of reversal of write down	1,364	1,753

### Note: 10 - Investments:

₹ in Lakhs

Particulars	Nos. [*]	As at March 31, 2023	As at March 31, 2022
Investment in Mutual Funds [Quoted] [Valued at fair value through profit or loss]			
ICICI prudential Overnight Fund DP Growth	579002.815 [2008207.738]	6,997	2,302
SBI overnight fund direct growth plan	0 [11557.854]	-	400
<b>Total</b>		<b>6,997</b>	<b>2,702</b>
A. Aggregate amount of quoted investments and market value thereof		6,997	2,702
[*] In "Nos." figures of previous year are stated in [ ]			

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 11 - Trade receivables:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured - Considered good	20,781	14,232
Unsecured - Credit impaired	153	153
	<b>20,934</b>	<b>14,385</b>
Less: Allowances for credit losses	(153)	(153)
<b>Total</b>	<b>20,781</b>	<b>14,232</b>

### Ageing of Trade receivables :

#### [A] As at March 31, 2023

₹ in Lakhs

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	16,825	3,669	287	-	-	-	<b>20,781</b>
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	17	27	31	22	<b>97</b>
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	9	-	-	47	-	<b>56</b>
<b>Total</b>	<b>16,825</b>	<b>3,678</b>	<b>304</b>	<b>27</b>	<b>78</b>	<b>22</b>	<b>20,934</b>
Less: Allowances for credit losses							<b>(153)</b>
<b>Trade Receivables</b>							<b>20,781</b>

#### [B] As at March 31, 2022

₹ in Lakhs

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	10,803	3,310	55	47	15	2	<b>14,232</b>
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	29	59	14	2	<b>104</b>
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	42	7	-	<b>49</b>
<b>Total</b>	<b>10,803</b>	<b>3,310</b>	<b>84</b>	<b>148</b>	<b>36</b>	<b>4</b>	<b>14,385</b>
Less: Allowances for credit losses							<b>(153)</b>
<b>Trade Receivables</b>							<b>14,232</b>

### Note: 12 [A] - Cash and cash equivalents:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks	3,694	11,525
Cash on hand	10	13
<b>Total</b>	<b>3,704</b>	<b>11,538</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 12 [B] - Bank balance other than cash and cash equivalents:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked balances with bank for unclaimed dividend accounts	48	55
Fixed deposits	66	5,387
<b>Total</b>	<b>114</b>	<b>5,442</b>

### Note: 13 - Loan:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Loan to others	39	-
<b>Total</b>	<b>39</b>	<b>-</b>

### Note: 14 - Other current financial assets:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Other receivables	2,488	2,101
<b>Total</b>	<b>2,488</b>	<b>2,101</b>

### Note: 15 - Other current assets:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Advances to suppliers	728	524
Prepaid expenses	311	280
Balances with statutory authorities	9,875	8,387
<b>Total</b>	<b>10,914</b>	<b>9,191</b>

### Note: 16 - Asset classified as held for sale:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment [*]	66	-
<b>Total</b>	<b>66</b>	<b>-</b>

[\*] Refer Note 3 [A]

### Non-recurring fair value measurements:

During the year ended March 31, 2023, Zydus Wellness Products Limited, a wholly owned subsidiary Company, has 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: 17 - Equity share capital:

Particulars		As at March 31, 2023	As at March 31, 2022
<b>Authorised:</b>			
10,00,00,000 [as at March 31, 2022: 10,00,00,000] Equity shares of ₹ 10 each	₹ in Lakhs	10,000	10,000
<b>Total</b>		<b>10,000</b>	<b>10,000</b>
<b>Issued, subscribed and fully paid-up:</b>			
6,36,32,144 [as at March 31, 2022: 6,36,32,144] Equity shares of ₹ 10 each	₹ in Lakhs	6,363	6,363
<b>Total</b>		<b>6,363</b>	<b>6,363</b>
A. The reconciliation in number of Equity shares is as under:			
Number of shares at the beginning and end of the year		6,36,32,144	6,36,32,144
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 [Formerly known as Cadila Healthcare Limited]			
Number of Shares		3,66,47,509	3,66,47,509
% to total share holding		57.59%	57.59%
Zydus Family Trust			
Number of Shares		56,27,573	45,93,193
% to total share holding		8.84%	7.22%
Threpsi Care LLP (True North)			
Number of Shares		72,20,216	72,20,216
% to total share holding		11.35%	11.35%
D. Number of shares held by Holding Company			
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]		3,66,47,509	3,66,47,509

#### E. Details of Equity Shares held by promoters/ promoter group.

##### 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	3,66,47,509	57.59%	0.00%
2	Zydus Family Trust	56,27,573	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%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 17 - Equity share capital: (Contd...)

As at March 31, 2022

Sr. No.	Promoter's/ Promoter Group's Name	No. of Shares	% of total shares	% change during the year
1	Zydus Lifesciences Limited	3,66,47,509	57.59%	0.00%
2	Zydus Family Trust	45,93,193	7.22%	0.00%
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:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities Premium: [*]</b>		
Balance as per last Balance Sheet	3,53,701	3,53,701
<b>General reserve: [**]</b>		
Balance as per last Balance Sheet	4,500	4,500
<b>Foreign Currency Translation Reserve:</b>		
Balance as per last Balance Sheet	26	6
Add: Credited during the year	12	20
Balance as at the end of the year	<b>38</b>	<b>26</b>
<b>Retained Earnings:</b>		
Balance as per last Balance Sheet	1,19,813	92,209
Add: Profit for the year	31,037	30,887
Less: Other Comprehensive Income for the year		
Re-measurement losses on defined benefit plans [net of tax]	(5)	(101)
	<b>1,50,845</b>	<b>1,22,995</b>
Less: Dividends	(3,182)	(3,182)
	<b>(3,182)</b>	<b>(3,182)</b>
Balance as at the end of the year	<b>1,47,663</b>	<b>1,19,813</b>
<b>Total</b>	<b>5,05,902</b>	<b>4,78,040</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: 19 - Borrowings:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Loans from related party [Unsecured] [*]	-	6,250
<b>Total</b>	<b>-</b>	<b>6,250</b>
[*] Name of the party and relationship with the party from whom received:		
Fellow Subsidiary Company:		
a Zydus Healthcare Limited	-	6,250
	<b>-</b>	<b>6,250</b>

### Note: 20 - Other financial liabilities:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Other deposits	127	101
<b>Total</b>	<b>127</b>	<b>101</b>

### Note: 21 - Provisions:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	1,327	1,281
<b>Total</b>	<b>1,327</b>	<b>1,281</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 take 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 21 - Provisions: (Contd...)

#### 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.

₹ in Lakhs

Particulars	March 31, 2023			March 31, 2022		
	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	345	1,392	2,349	332	1,373	2,145
Transfer in/ [out] Obligation	-	-	7	-	-	(12)
Interest cost	22	88	149	19	78	124
Current service cost	68	183	232	82	183	224
Benefits paid	(125)	(266)	(384)	(125)	(248)	(304)
Actuarial [gains] / losses on obligation due to:						
Experience adjustments	52	59	(10)	48	44	255
Change in financial assumptions	(11)	(54)	(65)	(11)	(38)	(83)
Translation difference	-	1	4	-	-	-
<b>Closing obligation</b>	<b>351</b>	<b>1,403</b>	<b>2,282</b>	<b>345</b>	<b>1,392</b>	<b>2,349</b>
<b>C Change in the fair value of plan assets:</b>						
Opening fair value of plan assets	-	223	2,215	-	204	2,268
Transfer in/ [out] obligation	-	-	7	-	-	(12)
Return on plan assets excluding amounts included in interest income	-	3	(78)	-	7	25
Expected return on plan assets	-	14	148	-	12	137
Contributions by employer	-	-	101	-	-	101
Benefits paid	-	-	(384)	-	-	(304)
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>240</b>	<b>2,009</b>	<b>-</b>	<b>223</b>	<b>2,215</b>
<b>Total actuarial [losses] / gains to be recognised</b>	<b>(41)</b>	<b>(5)</b>	<b>75</b>	<b>(37)</b>	<b>(6)</b>	<b>(172)</b>
<b>D Actual return on plan assets:</b>						
Expected return on plan assets	-	3	(78)	-	7	25
<b>E Amount recognised in the balance sheet:</b>						
Liabilities at the end of the year	351	1,403	2,282	345	1,392	2,349
Fair value of plan assets at the end of the year	-	(240)	(2,009)	-	(223)	(2,215)
<b>Liabilities recognised in the Balance Sheet [*]</b>	<b>351</b>	<b>1,163</b>	<b>273</b>	<b>345</b>	<b>1,169</b>	<b>134</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 21 - Provisions: (Contd...)

₹ in Lakhs

Particulars	March 31, 2023			March 31, 2022		
	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	68	183	232	82	183	224
Interest cost on benefit obligation	22	88	149	19	78	124
Expected return on plan assets	-	(14)	(148)	-	(12)	(137)
Return on plan assets excluding amounts included in interest income	-	(3)	-	-	(7)	-
Net actuarial [gains] / losses in the year	41	5	-	37	6	-
Amount included in "Employee Benefits Expense"	<b>131</b>	<b>259</b>	<b>233</b>	<b>138</b>	<b>248</b>	<b>211</b>
Return on plan assets excluding amounts included in interest income			78			(25)
Net actuarial [gains]/ losses in the year	-	-	(75)	-	-	172
<b>Amounts recognised in Other Comprehensive income [OCI]</b>	-	-	<b>3</b>	-	-	<b>147</b>
<b>G Movement in net liabilities recognised in Balance sheet:</b>						
Opening net liabilities	345	1,169	134	332	1,169	(123)
Expenses as above [Profit & Loss Charge]	131	259	233	138	248	211
Amount recognised in OCI	-	-	3	-	-	147
Contribution to plan assets	-	-	(101)	-	-	(101)
Benefits Paid	(125)	(266)	-	(125)	(248)	-
Translation difference	-	1	4	-	-	-
<b>Liabilities recognised in the Balance Sheet [*]</b>	<b>351</b>	<b>1,163</b>	<b>273</b>	<b>345</b>	<b>1,169</b>	<b>134</b>
<b>H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:</b>						
Discount rate	7.45%	7.45%	7.45%	6.90%	6.90%	6.90%
[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 ₹ 204 Lakhs [Previous year: ₹ 183 Lakhs].

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6.80 years [as at March 31, 2022: 7.44 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 Lakhs

Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31					
	2023	2022	2023	2022	2023	2022
<b>Impact on obligation:</b>						
Discount rate increase by 0.5%	(10)	(13)	(38)	(41)	(57)	(61)
Discount rate decrease by 0.5%	11	8	42	43	65	64
Annual salary cost increase by 0.5%	10	8	41	42	46	43
Annual salary cost decrease by 0.5%	(10)	(12)	(38)	(41)	(41)	(44)
Withdrawal rate increase by 10%	(4)	(8)	(13)	(15)	(3)	(6)
Withdrawal rate decrease by 10%	5	2	14	18	1	5

The following payments are expected contributions to the defined benefit plan in future years:

₹ in Lakhs

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Within the next 12 months [next annual reporting period]	800	732
Between 2 and 5 years	1,834	1,966
Between 6 and 10 years	1,688	1,594
<b>Total expected payments</b>	<b>4,322</b>	<b>4,292</b>

#### [\*] Liabilities recognised in the Balance Sheet

₹ in Lakhs

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Non-current	1,327	1,281
Current [Refer Note 27]	460	367

#### Note: 22 - Other non-current liabilities:

₹ in Lakhs

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Deferred revenue government grants	-	31
<b>Total</b>	<b>-</b>	<b>31</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 23 - Borrowings:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand:		
Working Capital Loans from banks [Unsecured]	-	4,600
Loans from related parties [Unsecured] [*]	23,000	2,300
Current Maturities of long term debt from related parties [Unsecured] [*]	6,250	25,000
<b>Total</b>	<b>29,250</b>	<b>31,900</b>
[*] Terms of repayment of Unsecured Borrowing:		
The loan from fellow subsidiary company are payable within the period of one year along with applicable of interest.		
Name of the party and relationship with the party from whom received:		
Fellow Subsidiary Company:		
a Zydus Healthcare Limited	29,250	27,300
	<b>29,250</b>	<b>27,300</b>

### Note: 24 -Trade payables:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Dues to Micro and Small Enterprises	1,678	1,711
Dues to other than Micro and Small Enterprises	29,652	34,717
<b>Total</b>	<b>31,330</b>	<b>36,428</b>

#### Ageing of Trade payables :

##### [A] As at March 31, 2023

₹ in Lakhs

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]	1,675	3	-	-	-	1,678
Undisputed Others	20,163	9,436	26	18	9	29,652
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
<b>Total</b>	<b>21,838</b>	<b>9,439</b>	<b>26</b>	<b>18</b>	<b>9</b>	<b>31,330</b>

##### [B] As at March 31, 2022

₹ in Lakhs

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]	1,619	30	-	-	-	1,649
Undisputed Others	26,730	7,829	53	20	85	34,717
Disputed MSME	-	-	-	62	-	62
Disputed Others	-	-	-	-	-	-
<b>Total</b>	<b>28,349</b>	<b>7,859</b>	<b>53</b>	<b>82</b>	<b>85</b>	<b>36,428</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 25 - Other financial liabilities:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings [*]	297	336
Payable to employees	1,560	2,218
Unpaid dividends [**]	48	55
<b>Total</b>	<b>1,905</b>	<b>2,609</b>
[*] Details of interest accrued but not due on borrowings to Related Parties are as under:		
Fellow Subsidiary Company		
a Zydus Healthcare Limited	297	323
	<b>297</b>	<b>323</b>
[**] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		

### Note : 26 - Other current liabilities:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Payable to statutory authorities	3,149	2,745
Deferred revenue on Government grants	30	68
Advances from customers	682	633
<b>Total</b>	<b>3,861</b>	<b>3,446</b>

### Note: 27 - Provisions:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits [*]	460	367
Provision for claims for product expiry and return of goods [**]	2,309	1,818
<b>Total</b>	<b>2,769</b>	<b>2,185</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	1,818	1,745
Add: Provision created during the year	5,551	3,572
Less: Provision used during the year	(5,060)	(3,499)
Closing balance at the end of the financial year	<b>2,309</b>	<b>1,818</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 28 - Contingent liabilities and commitments [to the extent not provided for]:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
<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	10,373	10,056
- Net of advance of	1,358	864
ii In respect of the demands raised by the Central Excise, State Excise & Service Tax Authority	1,299	1,337
- Net of advance of	109	112
iii In respect of Income Tax matters pending before appellate authorities which the Group expects to succeed, based on decisions of Tribunals/ Courts	20,732	17,022
- Net of advance of	1,895	1,857
iv In respect of Stamp Duty and other matters	2,029	3,904
- Net of advance of	36	661
<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 ₹ 31,668 Lakhs (Net of advance of ₹ 3,034 Lakhs) and ₹ 27,200 Lakhs (Net of advance of ₹ 2,657 Lakhs) as at March 31, 2023 and March 31, 2022, 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	1,837	1,346
- Net of advance of	281	778

### Note: 29 - Dividends proposed to be distributed:

The Board of Directors of the Parent, at its meeting held on May 17, 2023, 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 Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	2,24,261	1,98,846
Other operating revenues:		
Miscellaneous income	1,218	2,064
<b>Total</b>	<b>2,25,479</b>	<b>2,00,910</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	2,40,535	2,13,207
Less:		
Provision for claims for product expiry and return of goods	491	73
Discounts/ Price Reduction/ Rebates	15,783	14,288
	<b>16,274</b>	<b>14,361</b>
<b>Revenue from contract with customers</b>	<b>2,24,261</b>	<b>1,98,846</b>

### Note: 31 - Other income:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Finance Income:		
Interest income on financial assets measured at amortised cost	322	929
Net gain on sale of investments	144	-
Gain on investments mandatorily measured at fair value through statement of profit and loss	11	111
Other non-operating income	9	-
<b>Total</b>	<b>486</b>	<b>1,040</b>

### Note: 32 - Changes in inventories:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Stock at commencement:		
Work-in-progress	9,540	8,944
Finished Goods	15,381	16,629
Stock-in-trade	2,767	2,195
	<b>27,688</b>	<b>27,768</b>
Less: Stock at close:		
Work-in-progress	11,486	9,540
Finished Goods	21,539	15,381
Stock-in-trade	1,513	2,767
	<b>34,538</b>	<b>27,688</b>
<b>Total</b>	<b>(6,850)</b>	<b>80</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 33 - Employee benefits expense:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	15,401	14,727
Contribution to provident and other funds [*]	800	1,229
Staff welfare expenses	529	400
<b>Total</b>	<b>16,730</b>	<b>16,356</b>
Above expenses include:		
Research related expenses:		
Salaries and wages	565	695
Contribution to provident and other funds	35	36
Staff welfare expenses	24	9
<b>Total</b>	<b>624</b>	<b>740</b>
Whole-time Director's Remuneration	574	470
[*] The Group's contribution towards the defined contribution plan	557	1,011

### Note: 34 - Finance cost:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense [*]	1,577	2,511
Bank commission and charges	31	40
<b>Total</b>	<b>1,608</b>	<b>2,551</b>
[*] Interest expenses includes:		
On term loans	820	2,256
On working capital loans	682	194
On lease liabilities	55	45
On Others	20	16
<b>Total</b>	<b>1,577</b>	<b>2,511</b>

### Note: 35 - Other expenses:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spare parts	700	615
Power and fuel	4,325	3,142
Labour charges	3,418	2,791
Rent	625	693
Repairs to buildings	116	141
Repairs to plant and machinery	442	471
Repairs to others	768	613
Insurance	713	740
Rates and taxes [excluding taxes on income]	1,238	1,047
Traveling expenses	977	640
Legal and professional fees [*]	1,100	927
Commission on sales	2,009	1,864
Freight and forwarding on sales	8,064	6,459

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 35 - Other expenses: (Contd...)

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Advertisement and sales promotions	25,877	23,475
Representative allowances	736	590
Other marketing expenses	6,694	5,734
Directors' fees	68	61
Commission to independent directors	20	-
Remuneration to independent directors	-	20
Allowances of credit losses		
Trade receivables written off	-	271
Expected credit loss	-	78
	-	349
Less: Transferred from expected credit loss	-	(226)
	-	123
Net loss on foreign currency transactions and translation	23	88
Net Loss on disposal of Property, plant and equipment [Net of gain of ₹ 2 [Previous Year: ₹ 3] Lakhs]	14	3
Miscellaneous expenses	2,509	1,805
<b>Total</b>	<b>60,436</b>	<b>52,042</b>
Above expenses include Research related expenses as follows:		
Consumption of Stores and spare parts	3	2
Repairs to others	2	5
Miscellaneous Expenses	221	199
<b>Total</b>	<b>226</b>	<b>206</b>
[*] Legal and professional fees include:		
a Payment to the Statutory Auditors [excluding Taxes]:		
As Auditor	34	32
For Other Services	8	10
<b>Total</b>	<b>42</b>	<b>42</b>
b Cost Auditor's Remuneration including fees for other services	8	8

### Note: 36 - Exceptional items:

₹ in Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Exceptional items [*]	1,005	-
<b>Total</b>	<b>1,005</b>	<b>-</b>

[\*] As a part of manufacturing and supply chain network optimisation and to make manufacturing operations leaner and agile to the consumer needs, Zydus Wellness Products Limited ("the Company"), wholly owned subsidiary, has conducted a strategic review of its manufacturing footprint. In view of the same, the Board of Directors of the Company, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 37 - Tax expense:

The major components of income tax expense are:

Particulars	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Statement of profit and loss:</b>		
<b>Profit or loss section:</b>		
<b>Current income tax:</b>		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	(3)	-
	<b>(3)</b>	<b>-</b>
<b>Deferred Tax:</b>		
Deferred tax asset relating to origination and reversal of temporary differences	(1,948)	(285)
<b>Total reported in the Statement of Profit or Loss</b>	<b>(1,951)</b>	<b>(285)</b>
<b>OCI Section:</b>		
Tax related to items recognised in OCI during the year:		
Net loss on remeasurements of defined benefit plans	2	(46)
<b>Tax charged to OCI</b>	<b>2</b>	<b>(46)</b>
<b>B. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:</b>		
Profit before tax:	29,086	30,602
Enacted Tax Rate in India (%)	34.94%	34.94%
<b>Expected Tax Expenses</b>	<b>10,164</b>	<b>10,694</b>
Adjustments for:		
Effect of Non-taxable Income	(22)	(97)
Utilisation of previously unrecognised tax losses	-	(4,440)
Effect of differences in tax rate in standalone and consolidated	(755)	(215)
Effect of unrecognised deferred tax assets/ liabilities	(10,826)	(6,476)
Effect of other non-deductible expenses	(31)	39
Others	(481)	210
<b>Tax expense as per Profit or Loss</b>	<b>(1,951)</b>	<b>(285)</b>

### Note: 38 - Calculation of Earnings per equity share [EPS]:

Particulars	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
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 Lakhs 31,037	30,887
ii Basic and weighted average number of Equity Shares outstanding during the period	Numbers 6,36,32,144	6,36,32,144
iii Nominal value of equity share	₹ 10	10
iv Basic & diluted Earnings per equity share items [EPS]	₹ 48.78	48.54
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 Lakhs 32,042	30,887
ii Basic and weighted average number of Equity Shares outstanding during the period	Numbers 6,36,32,144	6,36,32,144
iii Nominal value of equity share	₹ 10	10
iv Basic & diluted Earnings per equity share items [EPS]	₹ 50.36	48.54



## 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 with whom transactions have taken place:

<b>a</b>	<b>Entity having control over Holding Company :</b> Zydus Family Trust	
<b>b</b>	<b>Holding Company:</b> Zydus Lifesciences Limited [Formerly known as Cadila Healthcare 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	Sentyln Therapeutics Inc. [USA]
	Dialforhealth Greencross Limited	Zydus Noveltech Inc. [USA]
	Violio Healthcare Limited	Hercon Pharmaceuticals LLC [USA]
	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	Simayla Pharmaceuticals (Pty) Ltd [South Africa]
	Zydus Foundation *	Script Management Services (Pty) Ltd [South Africa]
	M/s. 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]	
<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
	Mr. Ashish P. Bhargava	Nominee Director
	Mr. Srivishnu R. Nandyala	Independent Director
	Ms. Dharmishtaben N. Raval	Independent 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
<b>f</b>	<b>Enterprises significantly influenced by Directors and/ or their relatives of Holding Company:</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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 40 - Related Party Transactions: (Contd...)

#### 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 Lakhs

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					
	2023	2022	2023	2022	2023	2022
<b>Sales:</b>						
<b>Goods:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	49	59	-	-	-	-
Zydus Healthcare Limited	-	-	833	904	-	-
<b>Service:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	1	2	-	-	-	-
Zydus Healthcare Limited	-	-	123	297	-	-
<b>Reimbursement of Expenses Recovered:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	3	-	-	-	-	-
<b>Purchase:</b>						
<b>Goods:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	2	-	-	-	-	-
Zydus Healthcare Limited	-	-	-	1	-	-
<b>Services:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	212	144	-	-	-	-
Zydus Healthcare Limited	-	-	147	98	-	-
<b>Property, Plant and Equipment:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	1	-	-	-	-	-
Zydus Healthcare Limited	-	-	0	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 40 - Related Party Transactions: (Contd...)

₹ in Lakhs

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					
	2023	2022	2023	2022	2023	2022
<b>Reimbursement of Expenses:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	98	181	-	-	-	-
<b>Finance:</b>						
<b>Interest Expenses:</b>						
Zydus Healthcare Limited	-	-	1,393	2,021	-	-
<b>Inter Corporate Loan accepted:</b>						
Zydus Healthcare Limited	-	-	26,700	3,800	-	-
<b>Inter Corporate Loan repaid to:</b>						
Zydus Healthcare Limited	-	-	31,000	20,250	-	-
<b>Contributions during the year (includes Employee's share and contribution):</b>						
Zydus Wellness Limited Employee Group Gratuity Scheme	-	-	-	-	60	53
Zydus Wellness Sikkim Employee Group Gratuity Scheme	-	-	-	-	41	48
Heinz India Private Limited Provident Fund	-	-	-	-	266	335
Heinz India Private Limited Employee Provident Fund	-	-	-	-	316	354
Heinz India Private Limited Pension fund	-	-	-	-	45	48
<b>Dividend Paid:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	1,832	1,832	-	-	-	-
Zydus Family Trust	240	230	-	-	-	-
<b>Outstanding Payable:</b>						
Zydus Lifesciences Limited [Formerly known as Cadila Healthcare Limited]	449	104	-	-	-	-
Zydus Healthcare Limited	-	-	29,265	33,592	-	-

#### b Details relating to persons referred to in Note 40-A [d] and [e] above:

₹ in Lakhs

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
(i) Salaries and other employee benefits to Whole time directors and KMPs	741	624
(ii) Commission and Sitting Fees to Non Executive/ Independent Directors	87	59
(iii) Remuneration to Independent Directors	-	20
(iv) Outstanding payable to above (i), (ii) and (iii)	66	57

## 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 Lakhs

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
(i) Purchase of services	27	26
(ii) Purchase of goods	3	-
(iii) Purchase of Property, plant and equipment	-	7

### 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 Lakhs

Particulars	As at March 31, 2023				As at March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Investments at FVTPL								
Mutual funds	6,997	-	-	<b>6,997</b>	2,702	-	-	<b>2,702</b>
<b>Total</b>	<b>6,997</b>	-	-	<b>6,997</b>	<b>2,702</b>	-	-	<b>2,702</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 derivatives], cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities: Fair values of loans, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 42 - Financial risk management:

#### (i) Financial instruments by category:

₹ in Lakhs

Particulars	As at March 31, 2023				As at March 31, 2022			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
<b>Financial assets</b>								
Investments	6,997	-	-	<b>6,997</b>	2,702	-	-	<b>2,702</b>
Trade receivables	-	-	20,781	<b>20,781</b>	-	-	14,232	<b>14,232</b>
Cash and Cash equivalents	-	-	3,704	<b>3,704</b>	-	-	11,538	<b>11,538</b>
Bank balance other than cash and cash equivalents	-	-	114	<b>114</b>	-	-	5,442	<b>5,442</b>
Loans	-	-	241	<b>241</b>	-	-	-	<b>-</b>
Other financial assets	-	-	2,917	<b>2,917</b>	-	-	2,527	<b>2,527</b>
<b>Total</b>	<b>6,997</b>	<b>-</b>	<b>27,757</b>	<b>34,754</b>	<b>2,702</b>	<b>-</b>	<b>33,739</b>	<b>36,441</b>
<b>Financial liabilities</b>								
Borrowings	-	-	29,250	<b>29,250</b>	-	-	38,150	<b>38,150</b>
Lease liabilities	-	-	471	<b>471</b>	-	-	584	<b>584</b>
Trade payables	-	-	31,330	<b>31,330</b>	-	-	36,428	<b>36,428</b>
Other financial liabilities	-	-	2,032	<b>2,032</b>	-	-	2,710	<b>2,710</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>63,083</b>	<b>63,083</b>	<b>-</b>	<b>-</b>	<b>77,872</b>	<b>77,872</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 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 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.
- v 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, 2023 and March 31, 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 42 - 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 Lakhs	
	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables:</b>		
Less than 180 days	16,825	14,113
180 - 365 days	3,669	55
Above 365 days	287	64
<b>Total</b>	<b>20,781</b>	<b>14,232</b>

Movement in the expected credit loss allowance on trade receivables:

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	153	301
Addition	-	78
Trade receivable write off	-	(226)
<b>Balance at the end of the year</b>	<b>153</b>	<b>153</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 it 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.

Particulars	₹ in Lakhs				
	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)	30,473	-	-	-	<b>30,473</b>
Lease Liabilities	169	172	164	55	<b>560</b>
Trade payables	31,330	-	-	-	<b>31,330</b>
Other financial liabilities (excluding interest accrued but not due)	1,905	-	-	127	<b>2,032</b>
<b>Total</b>	<b>63,877</b>	<b>172</b>	<b>164</b>	<b>182</b>	<b>64,395</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

## Note: 42 - Financial risk management: (Contd...)

₹ in Lakhs

Particulars	As at March 31, 2022				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings (including interest accrued but not due)	32,922	6,261	-	-	<b>39,183</b>
Lease liabilities	169	169	172	218	<b>727</b>
Trade payables	36,428	-	-	-	<b>36,428</b>
Other financial liabilities (excluding interest accrued but not due)	2,609	-	-	101	<b>2,710</b>
<b>Total</b>	<b>72,128</b>	<b>6,430</b>	<b>172</b>	<b>319</b>	<b>79,048</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 Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
	<b>Exposure of USD</b>	
<b>Financial assets:</b>		
Trade receivable	79	295
<b>Total exposure to foreign currency risk [assets]</b>	<b>79</b>	<b>295</b>
<b>Financial liabilities:</b>		
Trade payable	30	146
<b>Total exposure to foreign currency risk [liabilities]</b>	<b>30</b>	<b>146</b>
<b>Net exposure to foreign currency risk [assets]</b>	<b>49</b>	<b>149</b>
<b>Exposure of Other Foreign Currency</b>		
<b>Financial assets:</b>		
Trade receivable	124	-
Cash and Cash equivalents	313	-
<b>Total exposure to foreign currency risk [assets]</b>	<b>437</b>	<b>-</b>
<b>Financial liabilities:</b>		
Trade payable	202	327
<b>Total exposure to foreign currency risk [liabilities]</b>	<b>202</b>	<b>327</b>
<b>Net exposure to foreign currency risk assets / [liabilities]</b>	<b>235</b>	<b>(327)</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 Lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Movement in Rate *	Impact on PAT	Movement in Rate *	Impact on PAT
USD	8%	3	4%	4
USD	(8%)	(3)	(4%)	(4)
Others	6%	9	2%	(4)
Others	(6%)	(9)	(2%)	4

\* Holding all other variables constant

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 42 - Financial risk management: (Contd...)

#### D Interest rate risk:

##### Liabilities:

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2022, 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 Lakhs	
		As at March 31, 2023	As at March 31, 2022
Interest rates	0.50%	95	124
Interest rates	(0.50%)	(95)	(124)

\* 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 Lakhs	
		As at March 31, 2023	As at March 31, 2022
<b>Mutual Funds [Quoted]</b>			
Increase	+2%	91	35
Decrease	(2%)	(91)	(35)

\* 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, 2023	As at March 31, 2022
Gross debts	₹ in Lakhs	29,250	38,150
Total equity	₹ in Lakhs	5,12,265	4,84,403
Gross debt to equity ratio [No. of times]		0.06	0.08

#### Loan covenants:

As at March 31, 2023 and March 31, 2022, 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, 2023 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, 2023	% Share of Interest As at March 31	
				2023	2022
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	Dubai	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 Lakhs	As % of Consolidated Profit / [Loss]	₹ in Lakhs	As % of Consolidated other Comprehensive income	₹ in Lakhs	As % of total Comprehensive income	₹ in Lakhs
<b>Parent:</b>								
Zydus Wellness Limited	79%	4,03,428	21%	6,642	(714%)	(50)	21%	6,592
<b>Subsidiaries:</b>								
<b>Indian:</b>								
Zydus Wellness Products Limited	51%	2,62,356	(26%)	(8,221)	614%	43	(26%)	(8,178)
Liva Investment Limited	0%	20	0%	1	0%	-	0%	1
Liva Nutritions Limited	0%	240	0%	(0)	0%	-	0%	(0)
<b>Foreign:</b>								
Zydus Wellness International DMCC [Dubai]	0%	(195)	(3%)	(1,003)	29%	2	(3%)	(1,001)
Zydus Wellness (BD) Pvt Limited [Bangladesh]	0%	255	0%	(21)	0%	-	0%	(21)
<b>Total Eliminations/ Consolidation Adjustments</b>	(30%)	(1,53,839)	108%	33,640	171%	12	108%	33,652
<b>Total</b>	<b>100%</b>	<b>5,12,265</b>	<b>100%</b>	<b>31,037</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>31,044</b>

### Note: 45 - 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.

## 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 Lakhs		
Right of use assets	Leasehold Land	Building	Total
<b>Balance as at April 1, 2021 [net]</b>	<b>1,495</b>	<b>60</b>	<b>1,555</b>
Additions during the year	-	594	594
Depreciation charge for the year	(18)	(96)	(114)
<b>Balance as at March 31, 2022 [net]</b>	<b>1,477</b>	<b>558</b>	<b>2,035</b>
Depreciation charge for the year	(18)	(136)	(154)
<b>Balance as at March 31, 2023 [net]</b>	<b>1,459</b>	<b>422</b>	<b>1,881</b>

The Company 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 Lakhs	
Lease liabilities	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	584	65
Additions	-	595
Redemptions	(113)	(76)
<b>Balance at the end of the year</b>	<b>471</b>	<b>584</b>
of which:		
Non-current portions	346	471
Current portions	125	113

##### 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 Lakhs	
Minimum lease payments due	As at March 31, 2023	As at March 31, 2022
Within 1 years	169	169
1-5 years	391	558
<b>Total</b>	<b>560</b>	<b>727</b>

### Note: 46: Disclosure of Transaction with Struck Off Companies

The Group did not have any material 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: 47:

- [a] The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall 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 Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

### Note: 48:

Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

#### Signatures to Significant Accounting Policies and Notes 1 to 48 to the Consolidated Financial Statements

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 17, 2023

#### **Dr. Sharvil P. Patel**

Chairman

DIN: 00131995

Place: Ahmedabad

Date: May 17, 2023

#### **Tarun Arora**

CEO & Whole Time Director

DIN: 07185311

Place: Ahmedabad

Date: May 17, 2023

#### **Umesh V. Parikh**

Chief Financial Officer

Place: Ahmedabad

Date: May 17, 2023

#### **Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Place: Ahmedabad

Date: May 17, 2023

**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 Lakhs								% 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, 2023	₹	1	21,884	2,40,472	3,93,267	1,30,911	4,311	2,22,309	(13,525)	5,304	(8,221)	-	100.00%
2	Liva Nutritions Limited	December 21, 2018	March 31, 2023	₹	1	305	(65)	241	0	-	-	(0)	(0)	(0)	-	100.00%
3	Liva Investment Limited	December 24, 2018	March 31, 2023	₹	1	25	(5)	20	0	-	1	1	-	1	-	100.00%
4	Zydus Wellness International DMCC [Dubai]	May 28, 2019	March 31, 2023	USD	82.20	56	(250)	2,285	2,479	-	5,595	(1,007)	-	(1,007)	-	100.00%
5	Zydus Wellness (BD) Pvt Limited [Bangladesh] **	November 18, 2021	March 31, 2023	BDT	0.79	286	(31)	287	32	-	100	(21)	-	(21)	-	100.00%

\* Converted using average exchange rates prevailing during the year.

\*\* The subsidiary is yet to commence commercial operations.

For and on behalf of the Board

**Dr. Sharvil P. Patel**Chairman  
DIN: 00131995  
Place: Mumbai  
Date: May 17, 2023**Tarun Arora**CEO & Whole Time Director  
DIN: 07185311  
Place: Ahmedabad  
Date: May 17, 2022**Umesh V. Parikh**Chief Financial Officer  
Place: Ahmedabad  
Date: May 17, 2022**Nandish P. Joshi**Company Secretary  
Membership Number: A39036  
Place: Ahmedabad  
Date: May 17, 2023

# NOTICE

## ZYDUS WELLNESS LIMITED

(a subsidiary of Zydus Lifesciences 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 **Twenty Ninth** Annual General Meeting (“**AGM**”) of the members of the Company will be held on Thursday, August 3, 2023 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:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the year ended on March 31, 2023 and the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the year ended on March 31, 2023 and the Report of the Auditors thereon.
3. To declare dividend of ₹ 5/- (50.0%) per equity share of ₹ 10/- each for the Financial Year ended on March 31, 2023.
4. To consider re-appointment of Dr. Sharvil P. Patel (DIN: 00131995), as a Non-Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

5. **To re-appoint Ms. Dharmishtaben N. Raval (DIN: 02792246) as an Independent Director of the Company for the second term of 5 (five) consecutive years:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of The Companies Act, 2013 (“the **Act**”), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), regulations 16(1)(b) and 25(2A) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **Listing Regulations**”), based on the recommendation of the Nomination and Remuneration

Committee and the Board of Directors (“the **Board**”), Ms. Dharmishtaben N. Raval (DIN: 02792246) be and is hereby re-appointed as an Independent Director of the Company for the second term of 5 (five) consecutive years with effect from March 11, 2024 upto March 10, 2029, not liable to retire by rotation, who was appointed as an Independent Director of the Company and who holds office till March 10, 2024 and being eligible for re-appointment who has submitted a declaration that she meets the criteria of independence as provided in the Act and the Listing Regulations and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing her candidature for the office of an Independent Director of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take such steps as may be necessary to give effect to this resolution.”

6. **To re-appoint Mr. Srivishnu R. Nandyala (DIN: 00025063) as an Independent Director of the Company for the second term of 5 (five) consecutive years:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of The Companies Act, 2013 (“the **Act**”), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), regulations 16(1)(b) and 25(2A) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **Listing Regulations**”), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors (“the **Board**”), Mr. Srivishnu R. Nandyala (DIN: 00025063) be and is hereby re-appointed as an Independent Director of the Company for the second term of 5 (five) consecutive years with effect from March 11, 2024 upto March 10, 2029, not liable to retire by rotation, who was appointed as an Independent Director of the Company and who holds office till March 10, 2024 and being eligible for re-appointment who has submitted a declaration that he

meets the criteria of independence as provided in the Act and the Listing Regulations 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 an Independent Director of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

**7. To appoint Mr. Akhil A. Monappa (DIN: 09784366) as an Independent Director of the Company for the first term of 5 (five) consecutive years:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of The Companies Act, 2013 ("the **Act**"), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), regulations 16(1)(b) and 25(2A) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**"), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors ("the **Board**"), Mr. Akhil A. Monappa (DIN: 09784366) be and is hereby appointed as an Independent Director of the Company for the first term of 5 (five) consecutive years with effect from May 17, 2023 upto May 16, 2028, not liable to retire by rotation, who was appointed as an Additional Director (Independent) by the Board with effect from May 17, 2023 and who holds the said office pursuant to the provisions of section 161 of the Act, upto the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as provided in the Act and the Listing Regulations 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 an Independent Director of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

**8. To ratify remuneration of Cost Auditors:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to provisions of section 148(3) and other applicable provisions, if any, of The Companies Act, 2013 read with rule 14 of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Audit

Committee and the Board of Directors ("the **Board**"), the Company be and hereby ratifies the remuneration of ₹ 3.21 Lakhs (Rupees Three Lakhs Twenty One Thousand only) plus applicable Goods and Services Tax and out of pocket expenses at actuals, if any, payable to Dalwadi & Associates, Cost Accountants (Firm Registration No. 000338) who have been appointed by the Board as Cost Auditors to conduct the audit of cost records maintained by the Company pertaining to product 'Nutralite' to be manufactured by the Company for the Financial Year ending on March 31, 2024.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

By Order of the Board of Directors

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

Date : May 17, 2023

Place : Ahmedabad

**NOTES:**

1. The Explanatory Statement pursuant to 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 Twenty Ninth AGM, as they are unavoidable in nature.
2. 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 Tuesday, August 8, 2023 to those members whose names appear 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 21, 2023 i.e. the Record Date fixed for this purpose.
3. In view of the Covid-19 pandemic, 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 and December 28, 2022 and The Securities and Exchange Board of India ("**SEBI**") vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 (MCA Circulars for General Meetings and SEBI Circulars for General Meetings are collectively referred to as "**MCA and 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. In compliance with the provisions of the Act, The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**"), MCA and SEBI Circulars for General Meetings, the AGM of the Company is being held through VC / OAVM.

As the AGM is being held pursuant to MCA and SEBI Circulars 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. However, 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.

4. 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).
5. Members may note that the Board, at its meeting held on May 17, 2023 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, 2023. The members holding shares as on Friday, July 21, 2023 will be entitled to receive the final dividend declared, if any, for the Financial Year ended on March 31, 2023, 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, Registrar and Share Transfer Agent of the Company ("RTA") on or before the aforesaid date i.e. July 21, 2023. 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. Tuesday, August 8, 2023 electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, cheques will be sent to their registered addresses as per the permitted mode. To avoid delay in receiving the dividend, members are requested to update their Know Your Client ("KYC") with their Depository 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. Pursuant to the provisions of section 125 of the Act, and the Rules made thereunder, those members who have not encashed their dividend warrants / cheques pertaining to the following Financial Years are requested to approach the Company for the payment thereof as the

same will be transferred to the Investor Education and Protection Fund Authority ("IEPF") 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
March 31, 2017	March 1, 2017	65 <sup>a</sup>	April 7, 2024
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>a</sup>	April 19, 2027
March 31, 2021	July 30, 2021	50	September 5, 2028
March 31, 2022	July 29, 2022	50	September 4, 2029

@ Interim Dividend

In compliance with 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, 2022 to May 17, 2023, the Company has transferred 9,901 (Nine Thousand Nine Hundred One) equity shares of ₹ 10/- (Rupees Ten only) each of 204 (Two Hundred Four) members whose dividend remained unclaimed or unpaid for a consecutive period of 7 (seven) years or more to the demat account of IEPF constituted by the MCA.

Pursuant to the IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends as on March 31, 2022 on its website at [www.zyduwellness.com](http://www.zyduwellness.com) and on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in).

7. Members holding shares in physical mode are requested to intimate the RTA of the Company at 506-508, Amarnath Business Centre-I (ABC-I), Beside Gala Business Centre, Navrangpura, Off C. G. Road, Ahmedabad – 380006, changes, if any, in their names, 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.

As per 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 demat 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.

8. The information of the Directors seeking appointment / re-appointment at the ensuing AGM is provided at **Annexure-A** to the Notice as prescribed under 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.
9. In compliance with MCA and SEBI Circulars 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 2022-2023 are being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / RTA / DP.
10. As per 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.

**11. Mandatory furnishing of KYC details and nomination by holders of physical securities:**

The SEBI, vide its circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 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 circular and Frequently Asked Questions (FAQs) with respect to Investor Service Requests processed by RTA] on the website of the Company:

- 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.

The link to view the said SEBI circular along with the various forms is available at <https://www.zyduswellness.com/investor/Mandatory-furnishing-of-KYC-and-Nomination-of-Shareholders.pdf>.



Further, the contact details of the Company and RTA are also available on the website of the Company on the above weblink. Pursuant to the said SEBI circular, the Company has sent letters to all the members, whose KYC is incomplete and those who are holding shares in physical form, to complete their KYC.

12. **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>.

13. 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.

14. **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 addresses can be registered with the DP in case the shares are held in demat mode and with the RTA in case the shares are held in physical mode.

Members may also note that the Notice of the AGM and the Annual Report for the Financial Year 2022-2023 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 email id of the

Company at [investor.grievance@zyduswellness.com](mailto:investor.grievance@zyduswellness.com) or [nandish.joshi@zyduswellness.com](mailto:nandish.joshi@zyduswellness.com).

The Register of Directors and Key Managerial Personnel's 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 during the AGM.

15. 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 communication to all the members of the Company whose e-mail ids are registered with the Company / RTA with all the details of tax rates for various categories of members (Resident Indian, Non-Resident Indian, FIIs, FPIs, etc.), the link to download various forms, 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 2023-2024 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 will 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 taxes deducted.

In the event of any income tax demand (including interest, penalty, etc.) arising from 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 Friday, July 21, 2023 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 addresses, 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.

#### 16. E-Voting (voting through electronic means):

I. The businesses as set out in the Notice shall be transacted through electronic voting system. In compliance with 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 and SEBI Circulars for General Meetings, the Company is pleased to offer 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.

In terms of provisions of section 107 of the Act, as the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM.

II. Pursuant to MCA and SEBI Circulars 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 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 shareholders (Shareholders holding 2% 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 and in the List of Beneficial Owners maintained by the Depositories as on Friday, July 28, 2023 ("**cut-off date**"), shall be entitled to avail the facility of remote e-voting or voting at the time of 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 names appear in the Register of Members and 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. 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. Members holding shares in demat mode - please update your 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 Monday, July 31, 2023 and ends at 5:00 p.m. (IST) on Wednesday, August 2, 2023**. 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 28, 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.


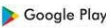


- ii. The members who have already voted prior to the date of AGM would not be entitled to vote during the AGM.
- iii. Pursuant to SEBI Circular No. SEBI/HO/FD/CMD/CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations, listed companies are required to provide remote e-voting 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 demat 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 members	Login methods
Individual member 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 &amp; 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 &amp; 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 &amp; 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 redirected 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 redirected 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> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="text-align: center; margin-right: 20px;">  </div> <div style="text-align: center; margin-right: 20px;">  </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;"> <div style="text-align: center; margin-right: 20px;">  </div> <div style="text-align: center;">  </div> </div>

Type of members	Login methods
Individual member (holding shares in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your Depository Participant 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 Demat mode with <b>CDSL</b>	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 Demat mode with <b>NSDL</b>	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 and 022 - 2499 7000.

#### v. Login method for e-voting and joining AGM through VC/OAVM for members other than individual members holding shares in demat and physical mode is as under:

- The members should log on to the remote e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on Shareholders.
- Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat 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.
- If you are a first time user follow the steps given below:

For members holding shares in Demat and Physical mode other than individual members	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both, members holding shares in demat mode and members holding shares in physical mode).
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).

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat 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.
- For Members holding shares in physical mode, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for **ZYDUS WELLNESS LIMITED** on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 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 email 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 & 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 and to the Company, 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). All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or an email should be sent 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 at 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 e-voting and remote e-voting process 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 on the day of 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. 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. Members are encouraged to join the AGM through Laptop / I-Pads for better experience.
5. Further, 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. Members who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request in advance **atleast 7 (seven) days prior to the AGM** mentioning their name, demat account number / folio number, e-mail id and mobile number through letter at the registered office of the Company or an email at [nandish.joshi@zyduswellness.com](mailto:nandish.joshi@zyduswellness.com).

The members who do not wish to speak during the AGM but have queries may send their queries in

advance **at least 7 (seven) days prior to the AGM** mentioning their name, demat account number / folio number, e-mail id, mobile number through letter at the registered office of the Company or 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, then 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:**

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 least 7 (seven) days prior to the AGM through letter at the registered office of the Company or on the above mentioned e-mail id. The same will be replied suitably by the Company.

**ZYDUS WELLNESS LIMITED**

(a subsidiary of Zydus Lifesciences 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 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 17, 2023.

### **Item No. 5: Re-appointment of Ms. Dharmishtaben N. Raval (DIN: 02792246) as an Independent Director (“ID”) of the Company for the second term of 5 (five) consecutive years:**

Ms. Dharmishtaben N. Raval (DIN: 02792246) was appointed as an ID of the Company at the 25<sup>th</sup> AGM held on July 31, 2019, to hold office for the first term of 5 (five) consecutive years with effect from March 11, 2019 upto March 10, 2024.

The Nomination and Remuneration Committee (“NRC”), has considered her diverse skills, leadership capabilities, knowledge and expertise in law. In view of the above and in accordance with the provisions of the Act and the Listing Regulations and based on her performance evaluation by the NRC, the NRC and the Board have recommended the re-appointment of Ms. Dharmishtaben N. Raval as an ID of the Company for the second term of 5 (five) consecutive years with effect from March 11, 2024 upto March 10, 2029, 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 her candidature for re-appointment and all statutory disclosures / declarations from Ms. Dharmishtaben N. Raval including consent to act as an ID, confirmation that she is not disqualified under sections 164(1) and 164(2) of the Act and a declaration to the effect that she meets the criteria of independence as provided under section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Ms. Dharmishtaben N. Raval fulfils the conditions specified under the Act and the Listing Regulations for re-appointment as an ID of the Company and is independent of the management. Further, considering her background, experience and contributions made during her tenure, the Board is of the opinion that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an ID of the Company.

The details of the skills and capabilities required for the role of an ID and the manner in which she meets such requirements is provided under section “Board Skills / Expertise / Competencies” in the Corporate Governance Report forming part of the Annual Report.

A draft copy of the letter of appointment as an ID, setting out the terms and conditions is available for inspection by the members during the normal business hours, upto the date of AGM, basis the request being sent by the members through letter at the registered office of the Company or e-mail at [nandish.joshi@zyduswellness.com](mailto:nandish.joshi@zyduswellness.com) and is also available on the website of the Company at [www.zyduswellness.com](http://www.zyduswellness.com).

A brief profile of Ms. Dharmishtaben N. Raval and other details as required under the Act and the Listing Regulations are provided in **Annexure-A** forming part of the Notice.

Except Ms. Dharmishtaben N. Raval and her 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 a Special Resolution as set out at Item No. 5 of the Notice.

### **Item No. 6: Re-appointment of Mr. Srivishnu R. Nandyala (DIN: 00025063) as an Independent Director (“ID”) of the Company for the second term of 5 (five) consecutive years:**

Mr. Srivishnu R. Nandyala (DIN: 00025063) was appointed as an ID of the Company at the 25<sup>th</sup> AGM held on July 31, 2019, to hold office for the first term of 5 (five) consecutive years with effect from March 11, 2019 upto March 10, 2024.

The NRC, has considered his diverse skills, leadership capabilities, knowledge and expertise in manufacturing, marketing, business and management. In view of the above and in accordance with the provisions of the Act and the Listing Regulations and based on his performance evaluation by the NRC, the NRC and the Board have recommended the re-appointment of Mr. Srivishnu R. Nandyala as an ID of the Company for the second term of 5 (five) consecutive years with effect from March 11, 2024 upto March 10, 2029, 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 re-appointment and all statutory disclosures / declarations from Mr. Srivishnu R. Nandyala including consent to act as an ID, confirmation that he is not disqualified under sections 164(1) and 164(2) of the Act and a declaration to the effect that he meets the criteria of independence as provided under section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Mr. Srivishnu R. Nandyala fulfils the conditions specified under the Act and the Listing Regulations for re-appointment as an ID of the Company and is independent of the management. Further, considering his background, experience and contributions made during his tenure, the Board is of the opinion that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an ID of the Company.

The details of the skills and capabilities required for the role of an ID and the manner in which he meets such requirements is provided under section "Board Skills / Expertise / Competencies" in the Corporate Governance Report forming part of the Annual Report.

A draft copy of the letter of appointment as an ID, setting out the terms and conditions is available for inspection by the members during the normal business hours, upto the date of AGM, basis the request being sent by the members through letter at the registered office of the Company or e-mail at [nandish.joshi@zyduswellness.com](mailto:nandish.joshi@zyduswellness.com) and is also available on the website of the Company at [www.zyduswellness.com](http://www.zyduswellness.com).

A brief profile of Mr. Srivishnu R. Nandyala and other details as required under the Act and the Listing Regulations are provided in **Annexure-A** forming part of the Notice.

Except Mr. Srivishnu R. Nandyala 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 a Special Resolution as set out at Item No. 6 of the Notice.

**Item No. 7: Appointment of Mr. Akhil A. Monappa (DIN: 09784366) as an Independent Director ("ID") of the Company for the first term of 5 (five) consecutive years:**

Pursuant to the recommendation of the NRC, the Board of Directors ("the **Board**") at its meeting held on May 17, 2023 appointed Mr. Akhil A. Monappa (DIN: 09784366) as an Additional Director (Independent) of the Company w.e.f. May 17, 2023 for the first term of 5 (five) consecutive years subject to approval of members by way of a special resolution.

The NRC reviewed the capabilities of Mr. Akhil A. Monappa vis-a-vis the role and capabilities required as decided by the NRC based on the evaluation of balance of skills, knowledge and experience of the existing Board and considered appropriate, to recommend the appointment of Mr. Akhil A. Monappa as an ID, for the term of 5 (five) consecutive years with effect from May 17, 2023 upto May 16, 2028. In the opinion of the NRC and the Board, he possesses appropriate skills, knowledge and expertise required for the efficient functioning of the Company more particularly in the areas of finance and information technology. In the opinion of the Board, the Company will benefit from his valuable experience, knowledge and counseling.

Accordingly, it is proposed to appoint Mr. Akhil A. Monappa as an ID of the Company for the term of 5 (five) consecutive years with effect from May 17, 2023 upto May 16, 2028, 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 appointment as an ID and all statutory disclosures / declarations from Mr. Akhil A. Monappa including consent to act as an ID, confirmation that he is not disqualified under sections 164(1) and 164(2) of the Act and a declaration to the effect that he meets the criteria of independence as provided under section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

He has also confirmed that he is in compliance of the Act and rules, with respect to the registration with the data bank of IDs maintained by The Indian Institute of Corporate Affairs. He shall appear in online proficiency self-assessment test within the prescribed time frame.

The details of the skills and capabilities required for the role of an ID and the manner in which he meets such requirements is provided under section "Board Skills / Expertise / Competencies" in the Corporate Governance Report forming part of the Annual Report.

A draft copy of the letter of appointment as an ID, setting out the terms and conditions is available for inspection by the members during the normal business hours, upto the date of AGM, basis the request being sent by the members through letter at the registered office of the Company or e-mail at [nandish.joshi@zyduswellness.com](mailto:nandish.joshi@zyduswellness.com) and is also available on the website of the Company at [www.zyduswellness.com](http://www.zyduswellness.com).

A brief profile of Mr. Akhil A. Monappa and other details as required under the Act and the Listing Regulations are provided in **Annexure-A** forming part of the Notice.

Except Mr. Akhil A. Monappa 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. 7 of the Notice.

The Board recommends to the members the passing of the resolution as a Special Resolution as set out at Item No. 7 of the Notice.

**Item No. 8: Ratification of remuneration to Cost Auditors:**

In accordance with 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' manufactured by the Company.

On the recommendation of the Audit Committee, the Board have 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, 2024, with a remuneration of ₹ 3.21 Lakhs (Rupees Three Lakhs Twenty One 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. As per the provisions of the Act read with rule 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 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

Date : May 17, 2023

Place : Ahmedabad

**Nandish P. Joshi**

Company Secretary

Membership Number: A39036

**Details of Directors seeking appointment / re-appointment 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]

<b>Name of the Director</b>	<b>Dr. Sharvil P. Patel, Non-Executive Director</b>
DIN	00131995
Date of Birth	October 13, 1978
Age	44 years
Date of first appointment on the Board	April 27, 2009
Date of re-appointment by the members	August 27, 2020
Qualifications	Bachelor's Degree in chemical and pharmaceutical sciences and Doctorate in philosophy (on Breast Cancer) from University of Sunderland, United Kingdom.
Brief resume and nature of expertise in functional areas	<p>Dr. Sharvil Patel is the Managing Director of Zydus Lifesciences Ltd., one of the leading global healthcare providers and the 4<sup>th</sup> largest lifesciences company in India. He also officiates as the Chairman of the Company, which is creating several novel experiences for the health-conscious consumers and has a basket of niche products and iconic brands such as Sugar Free, Everyuth, Nutralite, Complian, Glucon-D, and Nycil. With a specialisation in Chemical and Pharmaceutical Sciences from the University of Sunderland, U.K., and a doctorate also from the same university for his research work in Breast Cancer at Johns Hopkins, Bayview Medical Centre, USA, Dr. Sharvil combines both pharma and research expertise.</p> <p>Dr. Sharvil Patel's leadership inspires people to look at an expansive canvas of thoughts and ideas while focusing on a well-defined implementation roadmap. He has been conferred the ET Pharmaleader of the year at the ET Healthworld India Pharma Awards 2022. He has also been conferred the 'The Economic Times Most Promising Business Leaders of Asia 2020-21' Award, 'GenNext Entrepreneur of the Forbes India Leadership Awards (FILA) 2020-21' by the Forbes India and 'Young Turks Award' by India Pharma Awards 2021. He received the '40 Under 40 Most Influential Asians' Award by the Asian Business &amp; Social Forum 2018 (ABSF) and the Young Business Leader '40 under Forty' Award by ET Now in 2017.</p> <p>He has knowledge and expertise in pharmaceuticals and Fast Moving Consumer Goods ("FMCG") segment, sustainability and Environment Social and Governance ("ESG"), manufacturing, marketing, business and management.</p>
Relationship with other Directors and Key Managerial Personnel	None.
Name of the companies in which Dr. Sharvil P. Patel holds Directorships and Memberships of Committees of the Board	<p><b>A.</b> Directorship in listed companies:</p> <ol style="list-style-type: none"> <li>1. Zydus Lifesciences Limited</li> <li>2. Zydus Wellness Limited</li> </ol> <p>Dr. Sharvil P. Patel has not resigned as a director of any listed company in past 3 (three) years.</p> <p><b>B.</b> Directorship in other companies:</p> <ol style="list-style-type: none"> <li>1. Zydus Healthcare Limited</li> <li>2. Zydus Wellness Products Limited</li> <li>3. Zydus Foundation</li> <li>4. Liva Investment Limited</li> <li>5. Liva Nutritions Limited</li> <li>6. Zydus Hospitals and Healthcare Research Private Limited</li> <li>7. Cadmach Machinery Company Private Limited</li> <li>8. Pripan Investment Private Limited</li> <li>9. Cadila Laboratories Private Limited</li> <li>10. Western Ahmedabad Effluent Conveyance Company Private Limited</li> <li>11. Cadila Lifesciences Private Limited</li> </ol>

Name of the Director	Dr. Sharvil P. Patel, Non-Executive Director			
Name of the companies in which Dr. Sharvil P. Patel holds Directorships and Memberships of Committees of the Board	<b>C.</b> Committee positions in companies:			
	Sr. No.	Name of the Company	Name of the Committee	Position
	1.	Zydus Lifesciences Limited	Stakeholders' / Investors' Relationship Committee	Member
			Risk Management Committee	Member
			Corporate Social Responsibility and Environment Social and Governance Committee	Member
			Share Transfer Committee	Member
			Finance and Administration Committee	Member
	2.	Zydus Wellness Limited	Corporate Social Responsibility and Environment Social and Governance Committee	Chairman
			Risk Management Committee	Chairman
			Share Transfer Committee	Chairman
			Finance and Administration Committee	Chairman
	3.	Zydus Wellness Products Limited	Corporate Social Responsibility Committee	Chairman
	4.	Zydus Healthcare Limited	Corporate Social Responsibility Committee	Chairman
			Nomination and Remuneration Committee	Member
			Finance and Administration Committee	Chairman
	5.	Pripan Investment Private Limited	Corporate Social Responsibility Committee	Member
	6.	Zydus Hospitals and Healthcare Research Private Limited	Corporate Social Responsibility Committee	Member
Number of shares held in the Company	533 (Five Hundred Thirty Three) equity shares. Dr. Sharvil P. Patel is not holding any shares as a beneficial owner.			
Terms of Conditions of Appointment	<ul style="list-style-type: none"> <li>• Liable to retire by rotation.</li> <li>• Entitled to receive sitting fees for attending board and committee meetings.</li> </ul>			
Total remuneration drawn in Financial Year ended on March 31, 2023	₹ 8 Lakhs (Rupees Eight Lakhs only) towards sitting fees.			
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2023	Dr. Sharvil P. Patel has attended all the Board meetings, 31 (thirty one) out of 33 (thirty three) Committee meetings and General meeting held during the Financial Year ended on March 31, 2023.			
Declaration	Dr. Sharvil P. Patel 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>Ms. Dharmishtaben N. Raval, Independent Director</b>																										
DIN	02792246																										
Date of Birth	January 12, 1956																										
Age	67 years																										
Date of first appointment on the Board	March 11, 2019																										
Date of re-appointment by the members	N.A.																										
Qualifications	Ms. Dharmishtaben N. Raval is a science graduate and master in Commercial Laws.																										
Brief resume and nature of expertise in functional areas	Ms. Dharmishtaben N. Raval an eminent lawyer, is a science graduate and master in Commercial Laws. She enrolled as an Advocate of the Gujarat Bar Association in 1980. She has worked extensively with late Mr. Kirit N. Raval, former Solicitor General of India. She has exposure in the matters of various laws, such as Service Laws, Banking Laws, Company Law, Labour Laws, Income Tax Laws and SEBI Laws. She has also worked as an Executive Director - Legal in SEBI till May, 2003 and thereafter she started her practice as an Advocate at Gujarat High Court. She was a Senior Standing Counsel for the Central Government for the Gujarat High Court till June, 2004. She was a member of the High Powered Advisory Committee of SEBI and is presently on the Mutual Fund Advisory Committee of SEBI. She is presently practising at the Gujarat High Court and at National Company Law Tribunal, Ahmedabad. She is empanelled as Panel Advocate with institutions like – UTI, SBI, SEBI, GPCB and IRDA. She has knowledge and expertise in law.																										
Relationship with other Directors and Key Managerial Personnel	None.																										
Name of the companies in which Ms. Dharmishtaben N. Raval holds Directorships and Memberships of Committees of the Board	<p><b>A.</b> Directorship in listed companies:</p> <ol style="list-style-type: none"> <li>Zydus Lifesciences Limited</li> <li>Zydus Wellness Limited</li> <li>NOCIL Limited</li> </ol> <p>Ms. Dharmishtaben N. Raval has not resigned as a director of any listed company in past 3 (three) years.</p> <p><b>B.</b> Directorship in other companies:</p> <ol style="list-style-type: none"> <li>Zydus Healthcare Limited</li> <li>Zydus Wellness Products Limited</li> <li>DSP Trustee Private Limited</li> <li>Zydus Pharmaceuticals USA Inc.</li> </ol> <p><b>C.</b> Committee positions in companies:</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 Lifesciences 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 and Environment Social and Governance Committee</td> <td>Member</td> </tr> <tr> <td>2.</td> <td>Zydus Wellness Limited</td> <td>Audit Committee</td> <td>Chairperson</td> </tr> <tr> <td>3.</td> <td>Zydus Wellness Products Limited</td> <td>Corporate Social Responsibility Committee</td> <td>Member</td> </tr> <tr> <td rowspan="2">4.</td> <td rowspan="2">NOCIL Limited</td> <td>Stakeholders Relationship &amp; Investors' Grievance Committee</td> <td>Chairperson</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 Lifesciences Limited	Audit Committee	Member	Nomination and Remuneration Committee	Member	Corporate Social Responsibility and Environment Social and Governance Committee	Member	2.	Zydus Wellness Limited	Audit Committee	Chairperson	3.	Zydus Wellness Products Limited	Corporate Social Responsibility Committee	Member	4.	NOCIL Limited	Stakeholders Relationship & Investors' Grievance Committee	Chairperson	Corporate Social Responsibility Committee	Member
Sr. No.	Name of the Company	Name of the Committee	Position																								
1.	Zydus Lifesciences Limited	Audit Committee	Member																								
		Nomination and Remuneration Committee	Member																								
		Corporate Social Responsibility and Environment Social and Governance Committee	Member																								
2.	Zydus Wellness Limited	Audit Committee	Chairperson																								
3.	Zydus Wellness Products Limited	Corporate Social Responsibility Committee	Member																								
4.	NOCIL Limited	Stakeholders Relationship & Investors' Grievance Committee	Chairperson																								
		Corporate Social Responsibility Committee	Member																								
Number of shares held in the Company	Ms. Dharmishtaben N. Raval is not holding any shares in the Company directly or by way of beneficial ownership.																										
Terms of Conditions of Appointment	<ul style="list-style-type: none"> <li>Not liable to retire by rotation.</li> <li>Entitled to receive sitting fees for attending board and committee meetings.</li> <li>Entitled to receive commission / remuneration as may be decided by the Board.</li> </ul>																										
Total remuneration drawn in Financial Year ended on March 31, 2023	₹ 9 Lakhs (Rupees Nine Lakhs only) as sitting fees and ₹ 5 Lakhs (Rupees Five Lakhs only) as a commission, aggregating to ₹ 14 Lakhs (Rupees Fourteen Lakhs only).																										
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2023	Ms. Dharmishtaben N. Raval has attended all the Board, Committee and General meetings held during the Financial Year ended on March 31, 2023.																										
Declaration	Ms. Dharmishtaben N. Raval 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.																										

Name of the Director	Mr. Srivishnu R. Nandyala, Independent Director
DIN	00025063
Date of Birth	December 28, 1973
Age	49 years
Date of first appointment on the Board	March 11, 2019
Date of re-appointment by the members	N.A.
Qualifications	Mr. Srivishnu R. Nandyala has a bachelor's degree in Engineering from Osmania University and the Owner President Management Program from Harvard Business School.
Brief resume and nature of expertise in functional areas	<p>Mr. Srivishnu R. Nandyala is the Chairman and CEO of Exciga group. Exciga group is a group of Investment Companies that invests in the Financial Markets and Real Estate with zero debt and no outside money. In the past he was a Promoter Director in Raasi Cements and Raasi Ceramics. He is an Independent Director in Amara Raja Batteries Limited and Heritage Foods Limited.</p> <p>He is an avid fitness and adventure enthusiast and has cycled 9 countries across Europe a distance of 1,250 kms approximately.</p> <p>He has knowledge and expertise in manufacturing, marketing, business and management.</p>
Relationship with other Directors and Key Managerial Personnel	None.
Name of the companies in which Mr. Srivishnu R. Nandyala holds Directorships and Memberships of Committees of the Board	<p><b>A.</b> Directorship in listed companies:</p> <ol style="list-style-type: none"> <li>1. Zydus Wellness Limited</li> <li>2. Amara Raja Batteries Limited</li> <li>3. Heritage Foods Limited</li> </ol> <p>Mr. Srivishnu R. Nandyala has not resigned as a director of any listed company in past 3 (three) years.</p> <p><b>B.</b> Directorship in other companies:</p> <ol style="list-style-type: none"> <li>1. Blue Hammok Software Private Limited</li> <li>2. Exciga Soft Private Limited</li> <li>3. Blue Hammock Estates Private Limited</li> <li>4. Arlington Estates and Resorts Private Limited</li> <li>5. Monza Estates Private Limited</li> <li>6. Viviso Estates and Lands Private Limited</li> <li>7. Revathi Finances and Leasing Private Limited</li> <li>8. Raasi Software Corporation Private Limited</li> <li>9. Raasi Computer Private Limited</li> <li>10. Waporise Systems India Private Limited</li> <li>11. Fruition Bio-Pharma Private Limited</li> <li>12. Dexter Computech Private Limited</li> <li>13. Exciga Land Holdings Private Limited</li> <li>14. Foliage Bio-Tech Private Limited</li> <li>15. Exciga Properties Private Limited</li> <li>16. Heritage Novandie Foods Private Limited</li> <li>17. Verdant Realtors Private Limited</li> </ol>

Name of the Director	Mr. Srivishnu R. Nandyala, Independent Director			
Name of the companies in which Mr. Srivishnu R. Nandyala holds Directorships and Memberships of Committees of the Board	<b>C.</b> Committee positions in companies:			
	<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Position</b>
	1.	Zydus Wellness Limited	Audit Committee	Member
			Nomination and Remuneration Committee	Member
	2.	Heritage Foods Limited	Audit Committee	Member
			Stakeholders Relationship Committee	Member
			Nomination and Remuneration Committee	Chairman
			Corporate Social Responsibility Committee	Member
			Risk Management Committee	Member
	3.	Amara Raja Batteries Limited	Audit Committee	Chairman
			Nomination and Remuneration Committee	Chairman
			Corporate Social Responsibility Committee	Member
			Risk Management Committee	Chairman
Number of shares held in the Company	Mr. Srivishnu R. Nandyala is not holding any shares in the Company directly or by way of beneficial ownership.			
Terms of Conditions of Appointment	<ul style="list-style-type: none"> <li>• Not liable to retire by rotation.</li> <li>• Entitled to receive sitting fees for attending board and committee meetings.</li> <li>• Entitled to receive commission / remuneration as may be decided by the Board.</li> </ul>			
Total remuneration drawn in Financial Year ended on March 31, 2023	₹ 12 Lakhs (Rupees Twelve Lakhs only) as sitting fees and ₹ 5 Lakhs (Rupees Five Lakhs only) as a commission, aggregating to ₹ 17 Lakhs (Rupees Seventeen Lakhs only).			
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2023	Mr. Srivishnu R. Nandyala has attended all the Board, Committee and General meetings held during the Financial Year ended on March 31, 2023.			
Declaration	Mr. Srivishnu R. Nandyala 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. Akhil A. Monappa</b>
DIN	09784366
Date of Birth	September 1, 1978
Age	44 years
Date of first appointment on the Board	May 17, 2023
Date of re-appointment by the members	N.A.
Qualifications	Mr. Akhil A. Monappa has a MBA and MPA-ID degree from Harvard University, Cambridge, USA and a Bachelor's degree in Science in Electrical Engineering from Georgia Tech, Atlanta, USA
Brief resume and nature of expertise in functional areas	Mr. Akhil A. Monappa has a background in technology both in Investing as well as Operating roles. Currently he is a Director of YAZZ Limited and Zydus Lifesciences Limited and active investor in public and private companies. Previously, he was a Partner in the Technology Group at Generation Investment Management in London, a sustainability focused fund where he invested in global tech companies and advised company boards and management on matters of strategy, capital allocation, and governance. Prior to that, he was at Atlas Venture in London where he invested in early stage technology companies providing both board level and operational expertise. Early in his career, he was an operating executive at C-Bridge Internet Solutions in Cambridge, USA where he was responsible for go to market partnerships with some of the world's leading technology companies as well as held various pre-sales and technical roles. He has knowledge and expertise in finance and information technology.
Relationship with other Directors and Key Managerial Personnel	None.
Name of the companies in which Mr. Akhil A. Monappa holds Directorships and Memberships of Committees of the Board	<p><b>A.</b> Directorship in listed companies:</p> <ol style="list-style-type: none"> <li>1. Zydus Lifesciences Limited</li> <li>2. Zydus Wellness Limited</li> </ol> <p><b>B.</b> Directorship in other companies:</p> <ol style="list-style-type: none"> <li>1. YAZZ Limited</li> <li>2. Zydus Pharmaceuticals UK Limited</li> </ol> <p>Mr. Akhil A. Monappa has not resigned as a director of any listed company in past 3 (three) years.</p>
Number of shares held in the Company	Mr. Akhil A. Monappa is not holding any shares in the Company directly or by way of beneficial ownership.
Terms of Conditions of Appointment	<ul style="list-style-type: none"> <li>• Not liable to retire by rotation.</li> <li>• Entitled to receive sitting fees for attending board and committee meetings.</li> <li>• Entitled to receive commission / remuneration as may be decided by the Board.</li> </ul>
Total remuneration drawn in Financial Year ended on March 31, 2023	N.A.
Attendance in Board, Committee and General meetings in Financial Year ended on March 31, 2023	N.A.
Declaration	Mr. Akhil A. Monappa 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