**INDEPENDENT AUDITORS' REPORT**

To the Members of **Zydus Wellness Products Limited**

# Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of **Zydus Wellness Products Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the Statement of Cash Flows for the year ended on that date, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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, 2025 and Loss and other comprehensive income, changes in equity and its Cash flows 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditors' report thereon.

Our Opinion on the financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

**Responsibility of Management and Board of Directors for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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.

Those Board of Directors are 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:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of financial statements, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

**Other Matter**

The standalone financial statements of the Company for the year ended March 31, 2024 were audited by erstwhile auditors whose report dated May 13, 2024, expressed an unmodified opinion on those standalone financial statements.

**Report on Other Legal and Regulatory Requirements**

1. 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 Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. (A) As required by section 143(3) of the Act, 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 purpose of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the Cash Flow Statement 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 written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 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 controls with reference to financial statements.

   g. In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

(B) With respect to 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:

(a) The Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its financial statements – Refer Note: 28 to the standalone financial statements;

(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;

(d) (i) 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:

- 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.

(ii) 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:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) contain any material misstatement.

(e) The Company has not declared or paid any dividend during the year covered under audit.

(f) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For TALATI & TALATI LLP
Chartered Accountants
(Firm Reg. No: 110758W/W100377)

**Sd/-**
Kushal Talati
Partner
Membership No. 188150
UDIN: 25188150BMIOUR8303

Place of Signature: Ahmedabad
Date: May 16, 2025

**ANNEXURE – A to the Independent Auditor's report on the standalone financial statements of Zydus Wellness Products Limited for the year ended 31 March 2025**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment, Capital work in progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) As per the physical verification program of the Company, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets, certain property, plant and equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management. 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 the records examined by 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 (other than immovable properties where the Company is lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements included under Property, Plant and Equipment and capital work in-progress are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) There are no proceedings initiated or pending against the Company as at March 31, 2025 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have substantially been confirmed by them as at year end. No discrepancies of 10% or more in aggregate for each class of inventory (including inventories lying with third parties) were noticed.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there has been no sanctioned working capital limits from the banks on the basis of security of current assets. Hence reporting under clause 3 (ii) (b) of the order is not applicable to the Company.

(iii) (a) The Company has, during the year, granted a loan of Rs. 44 crores to Zydus Wellness Limited. Further, the Company has not provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other party during the year. The Company has not made any investment in firms, limited liability partnership or any other party during the year. The details are provided as below:

| | Guarantees | Security | Loans | Advances in the nature of loans |
|---|---|---|---|---|
| Aggregate amount granted/ provided during the year | NA | NA | 44,00,00,000 | NA |
| - Subsidiary<br>- Joint Ventures<br>- Associates<br>- Others | NA | NA | Others (Holding Company) | NA |
| Balance outstanding as at balance sheet date in respect of above cases<br>- Subsidiary<br>- Joint Ventures<br>- Associates<br>- Other | NA | NA | 44,00,00,000 | NA |

(b) During the year, the loan granted is not prejudicial to the interest of the company. The Company has not made any investment or provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other party during the year.

(c) In respect of loan granted, the schedule of repayment of principal has been stipulated as repayable on maturity and payment of interest has been stipulated as payable on half yearly basis further the principal can be repaid early along with interest outstanding with mutual consent, however no such interest payments were due as on reporting date and hence reporting on the regularity of payment of interest is not applicable.

(d) In respect of loan granted, the loan is not overdue, neither the loan is extended or fresh loan is provided to settle the existing overdue, nor the loan is repayable on demand and the terms of repayment is specified in loan agreement. Therefore, requirement to report on clause 3(iii)(d), (e) and (f) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, with respect to the loans and investment made.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of Statutory dues:

(a) In our opinion, the Company is regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as at March 31, 2025 on account disputes are given below:

| **Name of Statute** | **Nature of Dues** | **Year** | **Amount Involved (₹ in Millions)** | **Amount Unpaid (₹ in Millions)** | **Forum where dispute is pending** |
|---|---|---|---|---|---|
| Income Tax Act | Income Tax | A.Y. 2008-09, 2009-10, 2010-11, 2012-13 | 614.76 (*) | 454.18 | High Court |
| Income Tax Act | Income Tax | A.Y. 2016-17, 2017-18, 2018-19 | 965.93 (*) | 965.93 | Income Tax Appellate Tribunal |
| Income Tax Act | Income Tax | A.Y. 2012-13, 2013-14, 2014-15 | 215.33 (*) | 195.33 | Commissioner of Income Tax (Appeals) |
| Income Tax Act | Income Tax | A.Y. 2017-18 | 8.55 | 6.84 | Commissioner of Income Tax (Appeals) |
| Income Tax Act | Income Tax | A.Y. 2015-16 | 135.80 (*) | 135.80 | Assessing Officer |
| Central Excise Act | CENVAT Credit | 2015-16, 2017-18 | 47.81 | 43.04 | Additional Commissioner & Commissioner |
| Central Excise Act | CENVAT Credit | 2011-12, 2013-14, 2014-15, 2015-16 | 91.84 | 84.97 | Customs, Excise and Service Tax Appellate Tribunal |
| Haryana Land Development Act | Local Area Development Tax | 2000-01, 2001-02, 2002-03, 2003-04 | 20.16 (*) | 16.60 | Supreme Court |

| | | | | | |
|---|---|---|---|---|---|
| Indian Stamp Act | Stamp Duty | 1994-95 | 186.30 (*) | 186.30 | High Court |
| Goods & Services Tax, Central Sales Tax Act, Local Sales Tax Act | Sales Tax including Interest and Penalty as applicable | 2013-14 | 4.87 | 0 | Appellate Revision Board |
| Goods & Services Tax, Central Sales Tax Act, Local Sales Tax Act | Sales Tax including Interest and Penalty as applicable | 2005-06, 2006-07, 2007-08, 2008-09, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 | 113.91(*) | 77.33 | Appellate Tribunal |
| Goods & Services Tax, Central Sales Tax Act, Local Sales Tax Act | Sales Tax including Interest and Penalty as applicable | 2017-18, 2018-19, 2019-20 | 92.79 | 86.16 | Appellate Authority up to Commissioner's Level/ Appellate Revision Board |
| Goods & Services Tax, Central Sales Tax Act, Local Sales Tax Act | Sales Tax including Interest and Penalty as applicable | 2013-14 | 1.86 | 0 | Appellate Tribunal |
| Goods & Services Tax, Central Sales Tax Act, Local Sales Tax Act | Sales Tax including Interest and Penalty as applicable | 1995-96, 1996-97, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 | 748.20(*) | 646.20 | Appellate Authority up to Commissioner's Level/ Appellate Revision Board |
| Goods & Services Tax, Central Sales Tax Act, Local Sales Tax Act | Sales Tax including Interest and Penalty as applicable | 1994-95,1995-96, 1996-97, 1997-98, 1999-00, 2000-01, 2001-02, 2002-03, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 | 120.76(*) | 105.15 | High Court |
| Goods & Services Tax, Central Sales Tax Act, Local Sales Tax Act | Sales Tax including Interest and Penalty as applicable | 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2024-25 | 0.62(*) | 0 | Authority up to Additional Commissioner & Commissio |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | ner |
| Goods & Services Tax, Central Sales Tax Act, Local Sales Tax Act | Sales Tax including Interest and Penalty as applicable | 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2024-25 | 37.35 | 31.99 | Authority up to Additional Commissioner & Commissioner |

(*) Pursuant to the acquisition of business of Heinz India Private Limited vis-à-vis share purchase agreement entered in to with Heinz Italia SPA, the seller, Zydus Wellness Products Limited has entered into a definitive agreement with the said seller for protecting itself towards any tax obligations that may be dwelled upon on the Company for the period prior to the acquisition of business of Heinz India Private Limited. The above table shows the details of Contingent Liabilities which are actually revolving on the Company as on the balance sheet date. However, by virtue of the indemnity clause imbibed with the erstwhile seller management, the Company is safeguarded from any tax demand that may arise in future on account of the above said tax litigations so far as it relates to the pre-acquisition period cases, as the cited tax obligations are being borne by the exchequer of erstwhile seller.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the 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 as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) 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 non-cash transactions with directors or any persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Group has more than one Core Investment Companies (CIC) (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). There are two CIC forming part of the Group.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and 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, 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 that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable to the Company.

For TALATI & TALATI LLP
Chartered Accountants
(Firm Reg. No: 110758W/W100377)

**Sd/-**
Kushal Talati
Partner
Membership No. 188150
UDIN: 25188150BMIOUR8303

Place of Signature: Ahmedabad
Date: May 16, 2025

**ANNEXURE ‘B” TO THE AUDITOR’S REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

(Referred to in paragraph 2(A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

We have audited the internal financial controls over financial reporting of Zydus Wellness Products Limited (“the Company”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date

**Management’s Responsibility for Internal Financial Controls**

The Company’s management and board of directors are responsible for establishing and maintaining internal financial controls 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 Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 controls 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 risks of 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 with reference to Financial Statements**

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 Standalone 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) pertains 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For TALATI & TALATI LLP
Chartered Accountants
(Firm Reg. No: 110758W/W100377)

**Sd/-**
**Kushal Talati**
Partner
Membership No. 188150
UDIN: 25188150BMIOUR8303

Place of Signature: Ahmedabad
Date: May 16, 2025

**Zydus Wellness Products Limited**
[CIN: U15400GJ2019PLC106866]
**Balance Sheet as at March 31, 2025**

| Particulars | Note No. | ₹ in Million | |
|---|---|---|---|
| | | As at March 31 | |
| | | 2025 | 2024 |
| **ASSETS:** | | | |
| **Non-Current assets:** | | | |
| Property, plant and equipment | 3 [A] | 2,558 | 2,157 |
| Capital work-in-progress | 3 [C] | 71 | 57 |
| Goodwill | 3 [B] | 15,220 | 19,106 |
| Other intangible assets | 3 [B] | 5,403 | 5,408 |
| Financial assets: | | | |
| Investments | 4 | 39 | 39 |
| Loans | 5 | 440 | - |
| Other financial assets | 6 | 40 | 34 |
| Other non-current assets | 7 | 411 | 109 |
| Assets for tax [net] | 8 | 29 | 37 |
| **Total Non-Current Assets** | | 24,211 | 26,947 |
| **Current assets:** | | | |
| Inventories | 9 | 4,935 | 4,591 |
| Financial assets: | | | |
| Investments | 10 | 291 | 721 |
| Trade receivables | 11 | 3,456 | 2,683 |
| Cash and cash equivalents | 12 [A] | 556 | 623 |
| Bank balances other than cash and cash equivalents | 12 [B] | 4 | 1,591 |
| Other current financial assets | 13 | 180 | 294 |
| Other current assets | 14 | 742 | 936 |
| **Total Current Assets** | | 10,164 | 11,439 |
| Asset classified as held for sale | 15 | - | 357 |
| **Total Assets** | | 34,375 | 38,743 |
| **EQUITY AND LIABILITIES:** | | | |
| **EQUITY:** | | | |
| Equity share capital | 16 | 2,188 | 2,188 |
| Other equity | 17 | 22,877 | 23,159 |
| **Total Equity** | | 25,065 | 25,347 |
| **LIABILITIES:** | | | |
| **Non-current liabilities:** | | | |
| Financial liabilities: | | | |
| Borrowings | 18 | - | 2,000 |
| Lease liabilities | 43 | 10 | 26 |
| Other financial liabilities | 19 | 8 | 6 |
| Provisions | 20 | 134 | 120 |
| Deferred tax liabilities [net] | 21 | 3,429 | 3,636 |
| Other non-current liabilities | 22 | 4 | 7 |
| **Total Non-Current Liabilities** | | 3,585 | 5,795 |
| **Current liabilities:** | | | |
| Financial liabilities: | | | |
| Borrowings | 23 | 1,000 | 3,375 |
| Lease liabilities | 43 | 17 | 14 |
| Trade payables: | | | |
| Dues to Micro and Small Enterprises | 24 | 435 | 302 |
| Dues to other than Micro and Small Enterprises | 24 | 3,426 | 3,084 |
| Other financial liabilities | 25 | 3 | 206 |
| Other current liabilities | 26 | 435 | 348 |
| Provisions | 27 | 409 | 272 |
| **Total Current Liabilities** | | 5,725 | 7,601 |
| **Total Liabilities** | | 9,310 | 13,396 |
| **Total Equity and Liabilities** | | 34,375 | 38,743 |
| **Material Accounting Policies** | 2 | | |
| **Notes to the Financial Statements** | 3 to 49 | | |

As per our report of even date
For Talati & Talati LLP
Chartered Accountants
Firm Registration Number: 110758W/W100377

For and on behalf of the Board

| | | | | |
|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| **Kushal Talati** | **Dr. Sharvil P. Patel** | **Tarun Arora** | **Umesh V. Parikh** | **Nandish P. Joshi** |
| Partner | Chairman | Whole Time Director | Chief Financial Officer | Company Secretary |
| Membership Number: 188150 | DIN: 00131995 | DIN: 07185311 | | Membership Number: A39036 |
| Place: Ahmedabad | Place: Ahmedabad | Place: Ahmedabad | Place: Ahmedabad | Place: Ahmedabad |
| Date: May 16, 2025 | Date: May 16, 2025 | Date: May 16, 2025 | Date: May 16, 2025 | Date: May 16, 2025 |

**Zydus Wellness Products Limited**
[CIN: U15400GJ2019PLC106866]
**Statement of Profit and Loss for the year ended March 31, 2025**

| Particulars | Note No. | ₹ in Million Year ended March 31 2025 | 2024 |
|---|---|---|---|
| **INCOME:** | | | |
| Revenue from operations | 29 | 26,194 | 22,892 |
| Other income | 30 | 120 | 123 |
| **Total Income** | | 26,314 | 23,015 |
| **EXPENSES:** | | | |
| Cost of materials consumed | | 9,762 | 8,976 |
| Purchases of stock-in-trade | | 3,719 | 2,910 |
| Changes in inventories of finished goods, work-in-Progress and stock-in-trade | 31 | (475) | (101) |
| Employee benefits expense | 32 | 1,799 | 1,569 |
| Finance costs | 33 | 170 | 367 |
| Depreciation and amortisation expense | 3 [A], 3 [B] | 4,068 | 4,088 |
| Other expenses | 34 | 7,823 | 6,715 |
| Net gain on foreign currency transactions | | (5) | (1) |
| **Total Expenses** | | 26,861 | 24,523 |
| **Loss before exceptional items and tax** | | (547) | (1,508) |
| [Less]/ Add: Exceptional items | 35 | (59) | 142 |
| **Loss before Tax** | | (488) | (1,650) |
| Less: Tax expense: | | | |
| Current tax | 36 | (1) | - |
| Deferred tax | 36 | (206) | (759) |
| | | (207) | (759) |
| **Loss for the year** | | (281) | (891) |
| **OTHER COMPREHENSIVE INCOME [OCI]:** | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Re-measurement [loss]/ gains on post employment defined benefit plans | | (2) | 4 |
| Income tax effect | 36 | 1 | (1) |
| **Other Comprehensive Income/ [Loss] for the year [net of tax]** | | (1) | 3 |
| **Total Comprehensive Loss for the year [net of tax]** | | (282) | (888) |
| **Basic Earnings per equity share [EPS] [in ₹]** | 37 | (1.60) | (5.08) |
| **Diluted Earnings per equity share [EPS] [in ₹]** | 37 | (1.28) | (4.07) |
| **Material Accounting Policies** | 2 | | |
| **Notes to the Financial Statements** | 3 to 49 | | |

As per our report of even date
For Talati & Talati LLP
Chartered Accountants
Firm Registration Number: 110758W/W100377

For and on behalf of the Board

| | | | | |
|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| **Kushal Talati** | **Dr. Sharvil P. Patel** | **Tarun Arora** | **Umesh V. Parikh** | **Nandish P. Joshi** |
| Partner | Chairman | Whole Time Director | Chief Financial Officer | Company Secretary |
| Membership Number: 188150 | DIN: 00131995 | DIN: 07185311 | | Membership Number: A39036 |
| Place: Ahmedabad | Place: Ahmedabad | Place: Ahmedabad | Place: Ahmedabad | Place: Ahmedabad |
| Date: May 16, 2025 | Date: May 16, 2025 | Date: May 16, 2025 | Date: May 16, 2025 | Date: May 16, 2025 |

**Zydus Wellness Products Limited**
[CIN: U15400GJ2019PLC106866]
**Cash Flow Statement for the year ended March 31, 2025**

| Particulars | ₹ in Million | |
|---|---|---|
| | Year ended March 31 | |
| | 2025 | 2024 |
| **A. Cash flows from operating activities:** | | |
| Loss before tax | (488) | (1,650) |
| Adjustments for: | | |
| Depreciation and amortisation expense | 4,068 | 4,088 |
| Interest income | (28) | (99) |
| Profit on sale of investments [net] | (85) | (14) |
| Net gain on disposal of Property, plant and equipment | - | (37) |
| Net gain on investments mandatorily measured at fair value through statement of profit and loss | - | (4) |
| Expected credit loss on trade receivables [net] | 3 | 7 |
| Interest expense, Bank commission and charges | 170 | 367 |
| Amortisation of deferred revenue on Government grants | (3) | (27) |
| Provisions for probable product expiry claims and return of goods | 120 | - |
| Provision for employee benefits | 29 | 34 |
| Operating profit before working capital changes | 3,786 | 2,665 |
| Adjustments for: | | |
| Increase in inventories | (344) | (92) |
| Increase in trade receivables | (769) | (726) |
| Decrease/ [Increase] in other assets | 312 | (51) |
| Increase in trade payables | 465 | 561 |
| Decrease in other liabilities | (11) | (12) |
| Cash generated from operations | 3,439 | 2,345 |
| Income taxes paid [net of refunds] | 7 | (23) |
| **Net cash generated from operating activities** | 3,446 | 2,322 |
| **B. Cash flows from investing activities:** | | |
| Purchase of Property, plant and equipment and Other intangible assets | (541) | (231) |
| Proceeds from sale of property, plant and equipment | 6 | 23 |
| Proceeds from/ [Investment in] liquid mutual funds [net] | 515 | (272) |
| Proceeds from non-current fixed deposit [net] | - | 4 |
| Purchase of non-current investments -other than subsidiaries | - | (7) |
| Loan given to holding company | (440) | - |
| Change in Bank balances (including fixed deposits) not considered as cash and cash equivalents | 1,587 | (1,584) |
| Interest received | 28 | 99 |
| **Net cash generated from/ [used in] investing activities** | 1,155 | (1,968) |
| **C. Cash flows from financing activities:** | | |
| Proceeds from non-current borrowings | - | 200 |
| Repayment of non-current borrowings [including current maturities] | (2,000) | (825) |
| Current Borrowings [net - (repayment)/ taken] | (2,375) | 1,075 |
| Repayment of lease liabilities | (17) | (17) |
| Interest paid | (276) | (332) |
| **Net cash [used in]/ generated from financing activities** | (4,668) | 101 |
| **Net [decrease]/ increase in cash and cash equivalents [A+B+C]** | (67) | 455 |
| **Cash and cash equivalents at the beginning of the year** | 623 | 168 |
| **Cash and cash equivalents at the end of the year** | 556 | 623 |

**Notes to the Cash Flow Statement**

1. The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".
2. All figures in brackets are outflows.
3. Previous year's figures have been regrouped wherever necessary.
4. Summary of Cash and cash equivalents, bank balances, liquid mutual funds and fixed deposits more than twelve months: ₹ in Million

| Particulars | Note No. | As at March 31 | | |
|---|---|---|---|---|
| | | 2025 | 2024 | 2023 |
| a. Cash and cash equivalents | 12 [A] | 556 | 623 | 168 |
| b. Bank balances other than cash and cash equivalents | 12 [B] | 4 | 1,591 | 7 |
| c. Investment in liquid mutual funds | 10 | 291 | 721 | 431 |
| d. Fixed deposits more than 12 months | | - | - | 4 |
| **Total** | | 851 | 2,935 | 610 |

5. Change in liability arising from financing activities: ₹ in Million

| Particulars | Borrowings [Refer note 18 and 23] | | |
|---|---|---|---|
| | Non-current | Current | Total |
| **As at March 31, 2023** | **1,795** | **3,130** | **4,925** |
| Cash Flow [net] | (625) | 1,075 | 450 |
| Non-cash flow | 830 | (830) | - |
| **As at March 31, 2024** | **2,000** | **3,375** | **5,375** |
| Cash Flow [net] | (2,000) | (2,375) | (4,375) |
| **As at March 31, 2025** | **-** | **1,000** | **1,000** |

As per our report of even date
For Talati & Talati LLP
Chartered Accountants
Firm Registration Number: 110758W/W100377

For and on behalf of the Board

Sd/-
**Kushal Talati**
Partner
Membership Number: 188150
Place: Ahmedabad
Date: May 16, 2025

Sd/-
**Dr. Sharvil P. Patel**
Chairman
DIN: 00131995
Place: Ahmedabad
Date: May 16, 2025

Sd/-
**Tarun Arora**
Whole Time Director
DIN: 07185311
Place: Ahmedabad
Date: May 16, 2025

Sd/-
**Umesh V. Parikh**
Chief Financial Officer
Place: Ahmedabad
Date: May 16, 2025

Sd/-
**Nandish P. Joshi**
Company Secretary
Membership Number: A39036
Place: Ahmedabad
Date: May 16, 2025

**Zydus Wellness Products Limited**
[CIN: U15400GJ2019PLC106866]
**Statement of Changes in Equity for the year ended March 31, 2025**

**A Equity share capital:**

| | No. of Shares | ₹ in Million |
|---|---|---|
| **Equity Shares of ₹ 10/- each, Issued, subscribed and fully paid-up:** | | |
| As at March 31, 2023 | 17,52,26,041 | **1,752** |
| As at March 31, 2024 | 17,52,26,041 | **1,752** |
| As at March 31, 2025 | 17,52,26,041 | **1,752** |
| **7% Optionally Convertible Non-Cumulative Redeemable Preference shares of ₹ 10/- each, Issued, subscribed and fully paid-up:** | | |
| As at March 31, 2023 | 4,36,06,742 | **436** |
| As at March 31, 2024 | 4,36,06,742 | **436** |
| As at March 31, 2025 | 4,36,06,742 | **436** |

**B Other equity:**

₹ in Million

| Particulars | Reserves and Surplus | | | Total |
|---|---|---|---|---|
| | Securities Premium | Capital Reserve | Retained Earnings | |
| **As at March 31, 2023** | 34,305 | 1 | (10,259) | **24,047** |
| Add: Loss for the year | - | - | (891) | **(891)** |
| Add: Other Comprehensive Income | - | - | 3 | **3** |
| Total Comprehensive Loss | - | - | (888) | **(888)** |
| **As at March 31, 2024** | 34,305 | 1 | (11,147) | **23,159** |
| Add: Loss for the year | - | - | (281) | **(281)** |
| Add: Other Comprehensive Loss | - | - | (1) | **(1)** |
| Total Comprehensive Loss | - | - | (282) | **(282)** |
| **As at March 31, 2025** | 34,305 | 1 | (11,429) | **22,877** |

As per our report of even date
For Talati & Talati LLP
Chartered Accountants
Firm Registration Number: 110758W/W100377

For and on behalf of the Board

Sd/-
**Kushal Talati**
Partner
Membership Number: 188150
Place: Ahmedabad
Date: May 16, 2025

Sd/-
**Dr. Sharvil P. Patel**
Chairman
DIN: 00131995
Place: Ahmedabad
Date: May 16, 2025

Sd/-
**Tarun Arora**
Whole Time Director
DIN: 07185311
Place: Ahmedabad
Date: May 16, 2025

Sd/-
**Umesh V. Parikh**
Chief Financial Officer
Place: Ahmedabad
Date: May 16, 2025

Sd/-
**Nandish P. Joshi**
Company Secretary
Membership Number: A39036
Place: Ahmedabad
Date: May 16, 2025

**Note: 1 - Company overview:**

Zydus Wellness Products Limited ["the Company"] [CIN: U15400GJ2019PLC106866] was incorporated on February 28, 2019 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, I'm Lite, Everyuth, Complan, Glucon-D, Nycil, Nutralite and Sampriti Ghee. 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 16, 2025.

**Note: 2 - Material Accounting Policies:**

**A** The following note provides list of the Material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

**1 Basis of preparation:**

**A** The Standalone financial statements have been prepared in all material aspects in accordance with the Indian Accounting Standards [Ind AS] notified under section 133 of the Companies Act ,2013 read with [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 key Estimates and Judgements:**

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 probability 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 Impairment of property, plant and equipment, goodwill, intangible assets and investments:**

Significant judgments are involved in determining the estimated future cash flows from the Investments, Property, Plant and Equipment and Goodwill to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials.

**D Employee Benefits:**

Actuarial valuation involves key assumptions of life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

**E 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.

**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 Company has applied Ind AS 115 - "Revenue from Contracts with Customers", The following is the material accounting policy related to revenue recognition under Ind AS 115.

**a Sale of Goods:**

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights. The goods are often sold with volume discounts/ pricing incentives and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts, net of discounts. When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price [excluding estimates of variable consideration] that is allocated to that performance obligation. Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

**b Service Income:**

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of indirect taxes, wherever applicable.

**c Other Income:**

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

**5 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.

**6 Taxes on Income:**

Tax expenses comprise of current and deferred tax.

**A Current Tax:**

a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Current tax items are recognised in correlation to the underlying transaction either in profit or loss, Other Comprehensive Income (OCI) or directly in equity.

**B Deferred Tax:**

a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b Deferred tax liabilities are recognised for all taxable temporary differences.

c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

e Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

f Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, OCI or directly in equity.

g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

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.

**7 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.

**B** Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

**C** Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

The estimated useful lives are as follows:

| Asset Class | No. of years |
|---|---|
| Leasehold Land and Building | Over the period of lease |
| Buildings | 30 to 60 Years |
| Plant and Equipment | 3 to 15 Years |
| Furniture, Fixtures and Office equipment | 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.

**8 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** 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.

**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 income statement when the asset is derecognised.

**9 Research and Development Cost:**

Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.

**10 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 Effective Interest Rate [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.

**11 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.

**12 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.

**13 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.

**14 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.

**15 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.

**16 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 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 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 Company 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;

ii Net interest expense or income.

**Company administered Provident Fund:**

In case of a specified class of employees, such contributions are deposited to Heinz India Private Limited Employee Provident Fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company 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:**

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.

**17 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 Company's Board of Directors.

**18 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**A Financial assets:**

**a Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognised on the settlement date, i.e., the date that the Company settles to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**b Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in five categories:

**i Debt instruments at amortised cost:**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

**ii Debt instruments at fair value through other comprehensive income [FVTOCI]:**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objectives of both collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

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 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.

**v 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.

**c Derecognition:**

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risk and rewards of ownership of the financial asset, the same is derecognised.

**d Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance , i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the 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 at amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

**c Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**d Embedded derivatives:**

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of 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.

**19 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

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.

**20 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 Company 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 Company 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 Company'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 Company 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.

**21 Leases:**

**As a lessee:**

For any new contracts entered into, 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.

**22 Earnings per Share:**

Basic earnings per share is 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 reserve 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 shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**23 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 standards or amendments to the existing standards under Companies [Indian Accounting Standards] Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified amendments to Ind AS 116 – Leases relating to sale and lease back transactions, applicable from April 1, 2024. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable.

The amendments are effective for the year beginning from April 1, 2025. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

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

**[A] Property, plant and equipment:**

₹ in Million

| | Freehold Land | Leasehold Land [*] | Buildings [*] | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross Block:** | | | | | | | | |
| **As at March 31, 2023** | 619 | 162 | 1,281 | 1,953 | 45 | 22 | 33 | **4,115** |
| Additions | - | - | 135 | 142 | 9 | 11 | 5 | **302** |
| Disposals | - | - | - | (17) | - | (3) | - | **(20)** |
| Asset held for sale [**] | - | (104) | (426) | - | - | - | - | **(530)** |
| **As at March 31, 2024** | 619 | 58 | 990 | 2,078 | 54 | 30 | 38 | **3,867** |
| Reclassified from Asset held for sale [**] | - | 104 | 426 | - | - | - | - | **530** |
| Additions | - | - | 113 | 100 | 2 | 6 | 3 | **224** |
| Disposals | - | - | - | (67) | (5) | (4) | - | **(76)** |
| **As at March 31, 2025** | 619 | 162 | 1,529 | 2,111 | 51 | 32 | 41 | **4,545** |
| **Depreciation and Impairment:** | | | | | | | | |
| **As at March 31, 2023** | - | 16 | 322 | 1,333 | 27 | 15 | 15 | **1,728** |
| Depreciation for the year | - | 2 | 53 | 106 | 3 | 2 | 6 | **172** |
| Disposals | - | - | - | (16) | - | (1) | - | **(17)** |
| Asset held for sale [**] | - | (10) | (163) | - | - | - | - | **(173)** |
| **As at March 31, 2024** | - | 8 | 212 | 1,423 | 30 | 16 | 21 | **1,710** |
| Reclassified from Asset held for sale [**] | - | 10 | 163 | - | - | - | - | **173** |
| Depreciation for the year | - | 2 | 57 | 104 | 3 | 2 | 6 | **174** |
| Disposals | - | - | - | (63) | (4) | (3) | - | **(70)** |
| **As at March 31, 2025** | - | 20 | 432 | 1,464 | 29 | 15 | 27 | **1,987** |
| **Net Block:** | | | | | | | | |
| **As at March 31, 2024** | 619 | 50 | 778 | 655 | 24 | 14 | 17 | **2,157** |
| **As at March 31, 2025** | 619 | 142 | 1,097 | 647 | 22 | 17 | 14 | **2,558** |

**[B] Intangible assets:**

₹ in Million

| | Goodwill | Other Intangible Assets | | |
|---|---|---|---|---|
| | | Brand/ Trade Mark | Softwares | Total |
| **Gross Block:** | | | | |
| **As at March 31, 2023** | **38,768** | 5,387 | 189 | **5,576** |
| Additions | **-** | - | 19 | **19** |
| Disposals | **-** | - | (73) | **(73)** |
| **As at March 31, 2024** | **38,768** | 5,387 | 135 | **5,522** |
| Additions | **-** | - | 3 | **3** |
| Disposals | **-** | - | - | **-** |
| **As at March 31, 2025** | **38,768** | 5,387 | 138 | **5,525** |
| **Amortisation and Impairment:** | | | | |
| **As at March 31, 2023** | **15,776** | - | 157 | **157** |
| Amortisation for the year | **3,886** | - | 30 | **30** |
| Disposals | **-** | - | (73) | **(73)** |
| **As at March 31, 2024** | **19,662** | - | 114 | **114** |
| Amortisation for the year | **3,886** | - | 8 | **8** |
| Disposals | **-** | - | - | **-** |
| **As at March 31, 2025** | **23,548** | - | 122 | **122** |
| **Net Block:** | | | | |
| **As at March 31, 2024** | **19,106** | 5,387 | 21 | **5,408** |
| **As at March 31, 2025** | **15,220** | 5,387 | 16 | **5,403** |

**Goodwill:**

1 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.

2 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, 2025 and March 31, 2024, 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 | |
|---|---|---|
| | **2025** | 2024 |
| Long Term Growth Rate | **6.00%** | 6.00% |
| Discount Rate | **11.50%** | 10.50% |

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 Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| **Projects in progress:** | | |
| Less than 1 year | **70** | 55 |
| 1 - 2 years | **1** | 2 |
| **Total Capital work-in-progress** | **71** | 57 |

There are no overdue or temporary suspended projects.

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 43 for detailed breakup.

[**] Refer Note 15.

**Note: 4 - Investments [Non-Current]:**

₹ in Million

| | Face Value [*] | Nos. [**] | As at March 31 2025 | 2024 |
|---|---|---|---|---|
| **Investments in Subsidiaries** | | | | |
| Investments in equity instruments | | | **32** | 32 |
| **Investments - Others** | | | | |
| Investments in equity instruments | | | **1** | 1 |
| Investments in debentures | | | **6** | 6 |
| **Total** | | | **39** | 39 |
| **A Details of Investments in Subsidiaries** | | | | |
| Investments in equity instruments [valued at cost]: | | | | |
| In fully paid-up equity shares of: | | | | |
| Zydus Wellness (BD) Pvt Limited | BDT 10 | 36,25,931 | **32** | 32 |
| **B Details of Investments - Others** | | | | |
| Investments in equity instruments [valued at fair value through OCI]: | | | | |
| Others [Unquoted]: | | | | |
| In fully paid-up equity shares of: | | | | |
| AMP Energy Green Thirteen Private Limited | 10 | 72,000 | **1** | 1 |
| Investments in Compulsorily Convertible Debentures [valued at amortised cost]: | | | | |
| Others [Unquoted]: | | | | |
| AMP Energy Green Thirteen Private Limited | 1,000 | 6,480 | **6** | 6 |
| **Total** | | | **39** | 39 |
| C Aggregate book value of unquoted investment | | | **39** | 39 |
| D Explanations: | | | | |
| a In "Face Value [*]", figures in Indian ₹, unless stated otherwise. | | | | |
| b In "Nos. [**]" figures of previous year are same unless stated in [ ]. | | | | |

**Note: 5 - Loans:**

₹ in Million

| | As at March 31 2025 | 2024 |
|---|---|---|
| [Unsecured, Considered Good unless otherwise stated] | | |
| Loans to related party [*] | **440** | - |
| **Total** | **440** | - |

[*] Details of loans pursuant to Section 186(4) of Companies Act, 2013 [**]:
Name of party and relationship with party [Refer Note-39 for relationship] are as under [**]:

₹ in Million

| | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Non-Current | Current | Maximum Outstanding balance | Non-Current | Current | Maximum Outstanding balance |
| A Holding Company: | | | | | | |
| a Zydus Wellness Limited | **440** | **-** | **440** | - | - | - |
| **Total** | **440** | **-** | | - | - | |

[**] Loans which are outstanding at the end of the respective financial year.

Notes:

a. All the above loans have been given for business purposes.
b. The loan to holding company is receivable within 5 years.

**Note: 6 - Other financial assets:**

₹ in Million

| | As at March 31 2025 | 2024 |
|---|---|---|
| [Unsecured, Considered Good unless otherwise stated] | | |
| Security deposits | **40** | 34 |
| **Total** | **40** | 34 |

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

₹ in Million

| | As at March 31 2025 | 2024 |
|---|---|---|
| [Unsecured, Considered Good unless otherwise stated] | | |
| Capital advances | **307** | 7 |
| Balances with statutory authorities | **104** | 102 |
| **Total** | **411** | 109 |

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

₹ in Million

| | As at March 31 2025 | 2024 |
|---|---|---|
| Advance payment of tax [Net of provision for taxation of ₹ 847 Million (as at March 31, 2024: ₹ 847 Million)] | **29** | 37 |
| **Total** | **29** | 37 |

**Note: 9 - Inventories:**

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

₹ in Million

| Classification of Inventories: | As at March 31 2025 | 2024 |
|---|---|---|
| Raw Materials | 554 | 650 |
| Work-in-progress | 1,671 | 1,526 |
| Finished Goods | 2,005 | 1,749 |
| Stock-in-Trade | 337 | 263 |
| Stores and Spares | 102 | 129 |
| Packing Materials | 266 | 274 |
| **Total** | 4,935 | 4,591 |
| The above includes Goods in transit as under: | | |
| Raw Materials | - | 69 |
| Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories: | | |
| - Net of reversal of written down. | 205 | 102 |

**Note: 10 - Investments [Current]:**

₹ in Million

| | Nos. [*] | As at March 31 2025 | 2024 |
|---|---|---|---|
| Investment in Mutual Funds [Quoted] [Valued at fair value through profit or loss] | | | |
| ICICI prudential Overnight Fund DP Growth | 1,09,096.856 [558,852.936] | 150 | 721 |
| ICICI prudential Liquid Fund DP Growth | 3,67,807.453 [0] | 141 | - |
| **Total** | | 291 | 721 |
| A. Aggregate amount of quoted investments and market value thereof | | 291 | 721 |

[*] In "Nos." figures of previous year are stated in [ ]

**Note: 11 - Trade receivables:**

₹ in Million

| | As at March 31 2025 | 2024 |
|---|---|---|
| Unsecured - Considered good | 3,456 | 2,683 |
| Unsecured - Credit impaired | 17 | 22 |
| | 3,473 | 2,705 |
| Less: Allowances for credit losses | (17) | (22) |
| **Total** | 3,456 | 2,683 |

**Ageing of Trade receivables :**

**[A] As at March 31, 2025**

₹ in Million

| **Particulars** | **Not Due** | **Outstanding for following periods from due date of payment** | | | | | **Total** |
|---|---|---|---|---|---|---|---|
| | | **Less than 6 Months** | **6 Months to 1 year** | **1 to 2 years** | **2 to 3 years** | **More than 3 years** | |
| Undisputed – considered good | 2,778 | 620 | 49 | 9 | - | - | 3,456 |
| Undisputed – have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed – credit impaired | - | - | 3 | 4 | 1 | - | 8 |
| Disputed – considered good | - | - | - | - | - | - | - |
| Disputed - have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | 4 | 1 | 4 | 9 |
| **Total** | 2,778 | 620 | 52 | 17 | 2 | 4 | 3,473 |
| Less: Allowances for credit losses | | | | | | | (17) |
| **Trade Receivables** | | | | | | | 3,456 |

**[B] As at March 31, 2024**

₹ in Million

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 Months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed – considered good | 2,170 | 466 | 47 | - | - | - | 2,683 |
| Undisputed – have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed – credit impaired | - | - | 5 | 8 | - | 4 | 17 |
| Disputed – considered good | - | - | - | - | - | - | - |
| Disputed - have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | - | 1 | 4 | 5 |
| **Total** | 2,170 | 466 | 52 | 8 | 1 | 8 | 2,705 |
| Less: Allowances for credit losses | | | | | | | (22) |
| **Trade Receivables** | | | | | | | 2,683 |

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

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Balances with banks | **555** | 621 |
| Cash on hand | **1** | 2 |
| **Total** | **556** | 623 |

A. Company keeps fixed deposits with the Nationalised/ Scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds.
B. There are no amounts of cash and cash equivalent balances held by the entity that are not readily available for use.

**Note: 12 [B] - Bank balances other than cash and cash equivalents:**

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Fixed deposits | **4** | 1,591 |
| **Total** | **4** | 1,591 |

**Note: 13 - Other current financial assets:**

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| [Unsecured, Considered Good unless otherwise stated] | | |
| Other receivables | **180** | 294 |
| **Total** | **180** | 294 |

**Note: 14 - Other current assets:**

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| [Unsecured, Considered Good unless otherwise stated] | | |
| Advances to suppliers | **81** | 69 |
| Prepaid expenses | **22** | 29 |
| Balances with statutory authorities | **639** | 838 |
| **Total** | **742** | 936 |

**Note: 15 - Asset classified as held for sale:**

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Leasehold land [*] | **-** | 94 |
| Buildings [*] | **-** | 263 |
| **Total** | **-** | 357 |

[*] Considering the long term objective, the entity's management has decided in last quarter of the current financial year to reclassify assets located at Sitarganj in Uttarakhand from Asset Held for Sale to Property Plant and equipment, refer note 3 [A]

**Note: 16 - Equity share capital:**

| | | As at March 31 | |
|---|---|---|---|
| | | **2025** | 2024 |
| **Authorised:** | | | |
| 440,000,000 [as at March 31, 2024: 440,000,000] Equity shares of ₹ 10 each | ₹ in Million | **4,400** | 4,400 |
| 75,000,000 [as at March 31, 2024: 75,000,000] 7% Optionally Convertible Non-Cumulative Redeemable preference shares of ₹ 10 each | ₹ in Million | **750** | 750 |
| | | **5,150** | 5,150 |
| **Issued, subscribed and fully paid-up:** | | | |
| 175,226,041 [as at March 31, 2024: 175,226,041] Equity share of ₹ 10 each | ₹ in Million | **1,752** | 1,752 |
| 43,606,742 [as at March 31, 2024: 43,606,742] 7% Optionally Convertible Non-Cumulative Redeemable preference shares of ₹ 10 each | ₹ in Million | **436** | 436 |
| **Total** | | **2,188** | 2,188 |
| A. The reconciliation in number of Equity shares is as under: | | | |
| Number of shares at the beginning and end of the year | | **17,52,26,041** | 17,52,26,041 |
| B. The reconciliation in number of 7% Optionally Convertible Non-Cumulative Redeemable preference shares is as under: | | | |
| Number of shares at the beginning and end of the year | | **4,36,06,742** | 4,36,06,742 |

C. The Company has issued equity shares and preference shares. All equity shares rank pari passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.

D. 7% Optionally Convertible Non-Cumulative Redeemable Preference shares [OCRPS] are redeemable at par. At anytime during the tenure of the OCRPS, the Issuer of the OCRPS shall have right to have all, or any part, of the OCRPS to be converted as Equity Shares. At anytime during the tenure of the OCRPS, the Holder of the OCRPS shall have right to have all, or any part, of the OCRPS to be converted as Equity Shares. Such conversation shall happen at a pre-determined agreed rate between the parties. The tenure of the OCRPS shall be 10 years from the date of allotment. At any time during the tenure of the OCRPS, the Company shall have a right to redeem, all or any part of outstanding OCRPS. The OCRPS shall carry a preferential right with respect to dividend on the paid up capital in the event of distribution of profits by the company.

| | **2025** | 2024 |
|---|---|---|
| E. Details of Shareholder holding more than 5% of shares: | | |
| a. Equity shares: | | |
| Zydus Wellness Limited | | |
| Number of Shares | **17,28,90,343** | 17,28,90,343 |
| % to total share holding | **98.67%** | 98.67% |
| b. Preference shares: | | |
| Zydus Wellness Limited | | |
| Number of Shares | **4,36,06,742** | 4,36,06,742 |
| % to total share holding | **100%** | 100% |
| F. Number of shares held by Holding Company | | |
| a. Equity shares: | | |
| Zydus Wellness Limited | **17,28,90,343** | 17,28,90,343 |
| b. Preference shares: | | |
| Zydus Wellness Limited | **4,36,06,742** | 4,36,06,742 |

G. Details of Equity Shares held by promoters/ promoter group.

**As at March 31, 2025**

| Sr. No. | Promoter's/ Promoter Group's Name | No. of Shares | % of total shares | % change during the year |
|---|---|---|---|---|
| 1 | Zydus Wellness Limited | 17,28,90,343 | 98.67% | 0.00% |
| 2 | Liva Nutritions Limited and its nominees | 23,35,698 | 1.33% | 0.00% |

**As at March 31, 2024**

| Sr. No. | Promoter's/ Promoter Group's Name | No. of Shares | % of total shares | % change during the year |
|---|---|---|---|---|
| 1 | Zydus Wellness Limited | 17,28,90,343 | 98.67% | 0.00% |
| 2 | Liva Nutritions Limited and its nominees | 23,35,698 | 1.33% | 0.00% |

H. Details of Preference Shares held by promoters/ promoter group.

**As at March 31, 2025**

| Sr. No. | Promoter's/ Promoter Group's Name | No. of Shares | % of total shares | % change during the year |
|---|---|---|---|---|
| 1 | Zydus Wellness Limited | 4,36,06,742 | 100.00% | 0.00% |

**As at March 31, 2024**

| Sr. No. | Promoter's/ Promoter Group's Name | No. of Shares | % of total shares | % change during the year |
|---|---|---|---|---|
| 1 | Zydus Wellness Limited | 4,36,06,742 | 100.00% | 0.00% |

**Note: 17 - Other equity:**

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| **Capital Reserve: [*]** | | |
| Balance as per last Balance Sheet | **1** | 1 |
| **Securities Premium: [**]** | | |
| Balance as per last Balance Sheet | **34,305** | 34,305 |
| **Retained Earnings:** | | |
| Balance as per last Balance Sheet | **(11,147)** | (10,259) |
| Add: Loss for the year | **(281)** | (891) |
| Add: Other Comprehensive Income/ [Loss] for the year | | |
| Re-measurement gains on defined benefit plans [net of tax] | **(1)** | 3 |
| Balance as at the end of the year | **(11,429)** | (11,147) |
| **Total** | **22,877** | 23,159 |

[*] The balance in capital reserve represents amount received on conversion of loan into equity share capital.

[**] 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.

**Note: 18 - Borrowings:**

| | ₹ in Million | |
|---|---|---|
| | As at March 31 | |
| | 2025 | 2024 |
| Loans from related party [Unsecured] [*] | - | 2,000 |
| **Total** | - | 2,000 |
| **[*] Name of the party and relationship with the party from whom received:** | | |
| Holding Company: | | |
| a. Zydus Wellness Limited | - | 2,000 |
| Total | - | 2,000 |

**Note: 19- Other financial liabilities:**

| | ₹ in Million | |
|---|---|---|
| | As at March 31 | |
| | 2025 | 2024 |
| Others deposits | 8 | 6 |
| **Total** | 8 | 6 |

**Note: 20 - Provisions:**

| | ₹ in Million | |
|---|---|---|
| | As at March 31 | |
| | 2025 | 2024 |
| Provision for employee benefits | 134 | 120 |
| **Total** | 134 | 120 |

**Defined benefit plan and long term employment benefit**

**A General description:**

**Leave wages [Long term employment benefit]:**

The plan assets relating to leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance [Cash Accumulation] Scheme. The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

**Gratuity [Defined benefit plan]:**

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk:**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

₹ in Million

| | March 31, 2025 | | | March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Medical Leave | Leave Wages | Gratuity | Medical Leave | Leave Wages | Gratuity |
| **B Change in the present value of the defined benefit obligation:** | | | | | | |
| Opening obligation | 36 | 114 | 191 | 28 | 96 | 177 |
| Interest cost | 2 | 8 | 12 | 2 | 6 | 12 |
| Current service cost | 7 | 32 | 18 | 6 | 23 | 16 |
| Benefits paid | (12) | (31) | (27) | (10) | (22) | (17) |
| Actuarial [gains]/ losses on obligation | | | | | | |
| Experience Adjustments | 6 | 1 | (4) | 10 | 10 | 1 |
| Change in financial assumptions | 1 | 4 | 6 | - | 1 | 2 |
| Closing obligation | 40 | 128 | 196 | 36 | 114 | 191 |
| **C Change in the fair value of plan assets:** | | | | | | |
| Opening fair value of plan assets | - | 5 | 175 | - | 5 | 165 |
| Transfer in/ [out] Obligation | - | - | - | - | - | - |
| Return on plan assets excluding amounts included in interest income | - | - | - | - | - | 7 |
| Expected return on plan assets | - | - | 12 | - | - | 11 |
| Contributions by employer | - | - | 7 | - | - | 9 |
| Benefits paid | - | - | (27) | - | - | (17) |
| Closing fair value of plan assets | - | 5 | 167 | - | 5 | 175 |
| **Total actuarial [losses]/ gains to be recognised** | 7 | 5 | 2 | 10 | 11 | 3 |
| **D Actual return on plan assets:** | | | | | | |
| Expected return on plan assets | - | - | 12 | - | - | 11 |
| Return on plan assets excluding amounts included in interest income | - | - | - | - | - | 7 |
| **Total actual return on plan assets** | - | - | 12 | - | - | 18 |
| **E Amount recognised in the balance sheet:** | | | | | | |
| Liabilities at the end of the year | 40 | 128 | 196 | 36 | 114 | 191 |
| Fair value of plan assets at the end of the year | - | (5) | (167) | - | (5) | (175) |
| **Liabilities recognised in the Balance Sheet [*]** | 40 | 123 | 29 | 36 | 109 | 16 |

₹ in Million

| | March 31, 2025 | | | March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Medical Leave | Leave Wages | Gratuity | Medical Leave | Leave Wages | Gratuity |
| **F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:** | | | | | | |
| Current service cost | 7 | 32 | 18 | 6 | 23 | 16 |
| Interest cost on benefit obligation | 2 | 8 | 12 | 2 | 6 | 12 |
| Expected return on plan assets | - | - | (12) | - | - | (11) |
| Return on plan assets excluding amounts included in interest income | - | - | - | - | - | - |
| Net actuarial gains/ [losses] in the year | 7 | 5 | - | 10 | 11 | - |
| Amount included in "Employee Benefits Expense" | 16 | 45 | 18 | 18 | 40 | 17 |
| Return on plan assets excluding amounts included in interest income | - | - | - | | | (7) |
| Net actuarial losses/ [gains] in the year | - | - | 2 | - | - | 3 |
| **Amounts recognized in Other Comprehensive income/ [loss] [OCI]** | - | - | 2 | - | - | (4) |
| **G Movement in net liabilities recognised in Balance sheet:** | | | | | | |
| Opening net liabilities | 36 | 109 | 16 | 28 | 91 | 12 |
| Transfer in/ [out] Obligation | - | - | - | - | - | - |
| Expenses as above [Profit & Loss Charge] | 16 | 45 | 18 | 18 | 40 | 17 |
| Amount recognised in OCI | - | - | 2 | - | - | (4) |
| Contribution to plan assets | - | - | (7) | - | - | (9) |
| Benefits Paid | (12) | (31) | - | (10) | (22) | - |
| **Liabilities recognised in the Balance Sheet [*]** | 40 | 123 | 29 | 36 | 109 | 16 |
| **H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:** | | | | | | |
| Discount rate | 6.65% | 6.65% | 6.65% | 7.20% | 7.20% | 7.20% |

[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.]

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| 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.]

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| 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]

**I The categories of plan assets as a % of total plan assets are:**

| | Medical Leave 2025 | Leave Wages 2025 | Gratuity 2025 | Medical Leave 2024 | Leave Wages 2024 | Gratuity 2024 |
|---|---|---|---|---|---|---|
| Insurance plan | 0% | 100% | 100% | 0% | 100% | 100% |

The expected contributions for Defined Benefit Plan for the next financial year will be ₹ 20 Million [Previous year: ₹ 16 Million].

The weighted average duration of the defined benefit plan obligation as at the end of the reporting period is 5.60 years [as at March 31, 2024: 5.25 years].

**Sensitivity analysis:**

A quantitative sensitivity analysis for significant assumption is shown below:

₹ in Million

| Assumptions | Medical Leave | | Leave Wages | | Gratuity | |
|---|---|---|---|---|---|---|
| | As at March 31 | | | | | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Impact on obligation: | | | | | | |
| Discount rate increase by 0.5% | (1) | (1) | (3) | (3) | (4) | (5) |
| Discount rate decrease by 0.5% | 1 | 1 | 5 | 4 | 6 | 5 |
| Annual salary cost increase by 0.5% | 1 | 1 | 4 | 4 | 3 | 2 |
| Annual salary cost decrease by 0.5% | (1) | (1) | (3) | (3) | (2) | (3) |
| Withdrawal rate increase by 10% | (0) | (0) | (1) | (1) | (1) | 0 |
| Withdrawal rate decrease by 10% | 1 | 0 | 2 | 2 | 1 | (0) |

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

₹ in Million

| | As at March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Within the next 12 months [next annual reporting period] | 70 | 74 |
| Between 2 and 5 years | 175 | 176 |
| Between 6 and 10 years | 115 | 107 |
| Total expected payments | 360 | 357 |

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

₹ in Million

| | As at March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Non-current | 134 | 120 |
| Current [Refer Note 27] | 58 | 41 |

**Note: 21 - Deferred tax liabilities [net]:**

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

₹ in Million

| | As at March 31 2023 | Impact for the pervious year | As at March 31 2024 | Impact for the current year | As at March 31 2025 |
|---|---|---|---|---|---|
| **Deferred tax liabilities:** | | | | | |
| Depreciation | 7,101 | (1,152) | 5,949 | (1,124) | **4,825** |
| | 7,101 | (1,152) | 5,949 | (1,124) | **4,825** |
| **Deferred tax assets:** | | | | | |
| Employee benefits/ Payable to statutory authorities | 6 | 28 | 34 | (1) | **33** |
| Unabsorbed depreciation | 1,554 | (599) | 955 | (955) | **-** |
| Provision for Expiry and Breakages | 73 | - | 73 | 37 | **110** |
| Disallowance under section 40(a)(ia) of Income tax Act | 19 | (14) | 5 | - | **5** |
| Others | 4 | 3 | 7 | 2 | **9** |
| | 1,656 | (582) | 1,074 | (917) | **157** |
| **Minimum alternative tax credit entitlement** | 1,051 | 188 | 1,239 | - | **1,239** |
| **Net deferred tax liabilities** | **4,394** | **(758)** | **3,636** | **(207)** | **3,429** |

B. The net deferred tax of ₹ 207 Million [March 31, 2024: ₹ 758 Million] for the year has been credited in the Statement of Profit and Loss.

C. Deferred tax expense for the year ended March 31, 2025, includes recognition of Minimum Alternate Tax (MAT) credit entitlement amounting to ₹ Nil [March 31, 2024: ₹ 188 Million].

D. 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.

E. The Company has an unabsorbed depreciation of ₹ Nil [March 31 2024: ₹ 3,059 Million] which is available for offset against future taxable profits of the Company. Unabsorbed depreciation is allowed to be set-off for indefinite period.

F. MAT Credit not recognised as at March 31, 2025 is ₹ 354 Million [March 31,2024: ₹ 354 Million]. 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 on the 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 Company would be liable to pay income tax under the normal provisions of the Income-tax Act for the periods up to which the Company is eligible to utilise the unused MAT credit.

Further, notwithstanding the foregoing, the Company can elect to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 consequent to which the entire MAT credit would no longer be allowed for utilisation.

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

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Deferred revenue government grants | **4** | 7 |
| **Total** | **4** | 7 |

**Note: 23 - Borrowings:**

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Loans repayable on demand: | | |
| Working Capital Loans from banks [Unsecured] [*] | **1,000** | 1,000 |
| Loans from related parties [Unsecured] [**] | **-** | 2,375 |
| **Total** | **1,000** | 3,375 |
| [*] The loans are repayable within a period of 1 year along with applicable rate of interest. | | |
| [**] **Terms of repayment of Unsecured Borrowing:** | | |
| The loans are repayable within a period of 1 year along with applicable rate of interest. | | |
| **Name of the party and relationship with the party from whom received:** | | |
| Holding Company: | | |
| a. Zydus Wellness Limited | **-** | 635 |
| Fellow Subsidiary Company: | | |
| a. Zydus Healthcare Limited | **-** | 1,740 |
| Total | **-** | 2,375 |

**Note: 24 -Trade payables:**

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Dues to Micro and Small Enterprises [*] | **435** | 302 |
| Dues to other than Micro and Small Enterprises | **3,426** | 3,084 |
| **Total** | **3,861** | 3,386 |

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

| | 2025 | 2024 |
|---|---|---|
| A. Principal amount remaining unpaid to any supplier as at year end | **435** | 302 |
| 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. [₹ 113,704] | **0** | 1 |
| 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.

**Ageing of Trade payables :**

**[A] As at March 31, 2025**

₹ in Million

| **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] | **427** | **8** | **-** | **-** | **-** | **435** |
| Undisputed Others | **2,663** | **738** | **18** | **4** | **3** | **3,426** |
| Disputed MSME | **-** | **-** | **-** | **-** | **-** | **-** |
| Disputed Others | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **3,090** | **746** | **18** | **4** | **3** | **3,861** |

**[B] As at March 31, 2024**

₹ in Million

| 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] | 301 | 1 | - | - | - | 302 |
| Undisputed Others | 2,269 | 797 | 15 | 2 | 1 | 3,084 |
| Disputed MSME | - | - | - | - | - | - |
| Disputed Others | - | - | - | - | - | - |
| **Total** | 2,570 | 798 | 15 | 2 | 1 | 3,386 |

**Note: 25 - Other financial liabilities:**

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Interest accrued but not due on borrowings | **-** | 110 |
| Payable to employees | **3** | 96 |
| **Total** | **3** | 206 |

**Note: 26 - Other current liabilities:**

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Payable to statutory authorities | **353** | 273 |
| Deferred revenue government grants | **4** | 4 |
| Advances from customers | **78** | 71 |
| **Total** | **435** | 348 |

**Note: 27 - Provisions:**

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Provision for employee benefits [*] | **58** | 41 |
| Provision for claims for product expiry and return of goods [**] | **351** | 231 |
| **Total** | **409** | 272 |

[*] 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:

| | 2025 | 2024 |
|---|---|---|
| Opening balance at the beginning of the financial year | **231** | 231 |
| Additional provision (net of utilisation) made during the year | **120** | - |
| Closing balance at the end of the financial year | **351** | 231 |

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

₹ in Million

| | | As at March 31 | |
|---|---|---|---|
| | | **2025** | 2024 |
| **A** | **Contingent liabilities:** | | |
| a | Other money for which the Company is contingently liable: [*] | | |
| i | In respect of Sales Tax, GST and VAT matters pending before appellate authorities/ court which the Company expects to succeed, based on decisions of Tribunals/ Courts | **947** | 889 |
| | - Net of advance of | **174** | 137 |
| ii | In respect of the demands raised by the Central Excise, State Excise & Service Tax Authority | **128** | 128 |
| | - Net of advance of | **12** | 12 |
| iii | In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/ Courts | **1,758** | 1,758 |
| | - Net of advance of | **182** | 182 |
| iv | In respect of Stamp Duty and other matters | **203** | 203 |
| | - Net of advance of | **4** | 4 |
| | [*] The Company has signed tax indemnity with erstwhile seller shareholder of acquired Heinz India Private Limited that purchasing buyer shall have the rights to make a tax indemnity claim to extent of the loss suffered by the Company for the period prior to acquisition. Of the above ₹ 2,783 Million (Net of advance of ₹ 339 Million) and ₹ 2,734 Million (Net of advance of ₹ 310 Million) as at March 31, 2025 and March 31, 2024, respectively, is covered under agreed tax indemnity clause and reimbursable from erstwhile shareholder of the Heinz India Private Limited on the amount being | | |
| **B** | **Commitments:** | | |
| | Estimated amount of contracts remaining to be executed on capital account and not provided for | **875** | 33 |
| | - Net of advance of | **307** | 7 |

**Note: 29 - Revenue from operations:**

₹ in Million

| | Year ended March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Sale of products | **25,987** | 22,761 |
| Other operating revenues | **207** | 131 |
| **Total** | **26,194** | 22,892 |
| **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:** | | |
| Revenue as per contracted price, net of returns | **28,176** | 24,395 |
| Less: | | |
| Provision for claims for product expiry and return of goods [net] | **120** | - |
| Discounts/ Price Reduction/ Rebates/ Other adjustments | **2,069** | 1,634 |
| | **2,189** | 1,634 |
| **Revenue from contract with customers** | **25,987** | 22,761 |

**Note: 30 - Other income:**

₹ in Million

| | Year ended March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Finance income: | | |
| Interest income on financial assets measured at amortised cost | **28** | 99 |
| Net gain on sale of investments | **85** | 14 |
| Net gain on disposal of Property, plant and equipment | **-** | 2 |
| Gain on investments mandatorily measured at fair value through statement of profit and loss | **-** | 4 |
| Other non-operating income | **7** | 4 |
| **Total** | **120** | 123 |

**Note: 31 - Changes in inventories:**

₹ in Million

| | Year ended March 31 | |
|---|---|---|
| | **2025** | 2024 |
| Stock at commencement: | | |
| Work-in-progress | **1,526** | 1,148 |
| Finished goods | **1,749** | 2,047 |
| Stock-in-trade | **263** | 242 |
| | **3,538** | 3,437 |
| Less: Stock at close: | | |
| Work-in-progress | **(1,671)** | (1,526) |
| Finished goods | **(2,005)** | (1,749) |
| Stock-in-trade | **(337)** | (263) |
| | **(4,013)** | (3,538) |
| **Total** | **(475)** | (101) |

**Note: 32 - Employee benefits expense:**

₹ in Million

| | Year ended March 31 2025 | 2024 |
|---|---|---|
| Salaries and wages | **1,660** | 1,434 |
| Contribution to provident and other funds [*] | **62** | 77 |
| Defined benefit plan expenses | **18** | 17 |
| Staff welfare expenses | **59** | 41 |
| **Total** | **1,799** | 1,569 |
| Above expenses include: | | |
| Research related expenses: | | |
| Salaries and wages | **56** | 35 |
| Contribution to provident and other funds | **3** | 3 |
| Staff welfare expenses | **2** | 1 |
| Total | **61** | 39 |
| [*] The Company's contribution towards the defined contribution plan | **58** | 74 |

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees, as specified under the law. The contributions are paid to the Provident Fund Trust set up by the Company or to the respective Regional Provident Fund Commissioner under the Pension Scheme. The Company is generally liable for annual contribution and any shortfall in the trust fund assets based on the government specified minimum rate of return and recognises such contribution and shortfall, if any, as an expense in the year it is incurred.

**Note: 33 - Finance cost:**

₹ in Million

| | Year ended March 31 2025 | 2024 |
|---|---|---|
| Interest expense [*] | **168** | 366 |
| Bank commission and charges | **2** | 1 |
| **Total** | **170** | 367 |
| [*] Interest expenses includes: | | |
| On term loans | **-** | 1 |
| On working capital loans | **163** | 359 |
| On lease liabilities | **4** | 5 |
| On others | **1** | 1 |
| Total | **168** | 366 |

**Note: 34 - Other expenses:**

₹ in Million

| | Year ended March 31 2025 | 2024 |
|---|---|---|
| Consumption of stores and spare parts | **87** | 70 |
| Power and fuel | **324** | 374 |
| Labour charges | **390** | 325 |
| Rent | **94** | 83 |
| Repairs to buildings | **15** | 10 |
| Repairs to plant and machinery | **46** | 39 |
| Repairs to others | **85** | 84 |
| Insurance | **62** | 69 |
| Rates and taxes [excluding taxes on income] | **118** | 93 |
| Traveling expenses | **153** | 123 |
| Legal and professional fees [*] | **399** | 249 |
| Commission on sales | **268** | 234 |
| Freight and forwarding on sales | **959** | 828 |
| Advertisement and sales promotions | **3,221** | 2,791 |
| Representative allowances | **121** | 125 |
| Other marketing expenses | **868** | 680 |
| Allowances of credit losses | | |
| Trade receivables written off | **8** | - |
| Expected credit loss | **3** | 7 |
| | **11** | 7 |
| Less: Transferred from expected credit loss | **(8)** | - |
| | **3** | 7 |
| Royalty expense | **367** | 318 |
| Miscellaneous expenses | **243** | 213 |
| **Total** | **7,823** | 6,715 |
| Above expenses include Research related expenses as follows: | | |
| Consumption of Stores and spare parts | **1** | 1 |
| Miscellaneous expenses | **24** | 20 |
| Total | **25** | 21 |
| [*] Legal and professional fees include: | | |
| a Payment to the Statutory Auditors [excluding Taxes]: | | |
| As Auditor [₹ 3,189,550 (Previous Year: ₹ 2,418,200)] | **3** | 2 |
| For Other Services [₹ 2,500 (Previous Year: ₹ 500,440)] | **0** | 1 |
| Reimbursement of expenses [₹ 41,130 (Previous Year: ₹ 10,240)] | **0** | 0 |
| Total | **3** | 3 |
| b Cost Auditor's Remuneration including fees for other services [₹ 589,000 (Previous Year: ₹ 515,000)] | **1** | 1 |
| Notes: | | |
| 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: 35 - Exceptional items:**

₹ in Million

| | Year ended March 31 2025 | 2024 |
|---|---|---|
| Exceptional items comprise: | | |
| A. As a part of manufacturing and supply chain network optimisation and to make manufacturing operations leaner and agile to the consumer needs, the Company had 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 | | 177 |
| B. The Company has sold its assets located at Rabale, Mumbai which were classified as "Assets held for sale" from Property, Plant and Equipment in the previous financial year (as per Ind AS 105), the corresponding gain have been recognized as Exceptional items. | - | (35) |
| C. ZWPL has sold 'Equals two" brand including its trademark to Zydus Lifesciences Limited ("The Ultimate Holding Company") and recorded the profit as an Exceptional items. | (59) | - |
| **Total** | (59) | 142 |

**Note: 36 - Tax expenses:**

**The major components of income tax expense are:**

₹ in Million

| | Year ended March 31 2025 | 2024 |
|---|---|---|
| **A. Statement of profit and loss:** | | |
| **Profit or loss section:** | | |
| **Current income tax:** | | |
| Current income tax charge | (1) | - |
| | (1) | - |
| **Deferred tax:** | | |
| Deferred tax relating to origination and reversal of temporary differences | (206) | (759) |
| **Total reported in profit or loss** | (207) | (759) |
| **OCI Section:** | | |
| Tax related to items recognised in OCI during in the year: | | |
| Net loss on remeasurements of defined benefit plans | (1) | 1 |
| **Tax charged to OCI** | (1) | 1 |
| Current tax | (1) | - |
| Deferred tax | (207) | (759) |
| **Total reported in the Statement of Profit and Loss** | (208) | (758) |
| **B. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:** | | |
| **Loss before tax:** | (488) | (1,650) |
| Enacted Tax Rate in India (%) | 31.20% | 31.20% |
| **Expected Tax Expenses** | (152) | (515) |
| Adjustments for: | | |
| Effect of Non-taxable Income | (1) | (8) |
| Effect of Special tax deductions | (44) | - |
| Effect of unrecognised deferred tax assets/ liabilities | (6) | (229) |
| Effect of other non-deductible expenses | - | (6) |
| Others | (5) | (1) |
| **Tax expense as per Profit or Loss** | (208) | (759) |

**Note: 37 - Calculation of Earnings per equity share [EPS]:**

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

| | | Year ended March 31 2025 | 2024 |
|---|---|---|---|
| A. Loss attributable to Shareholders | ₹- in Million | (281) | (891) |
| B. Basic and weighted average number of Equity Shares outstanding during the year | Numbers | 17,52,26,041 | 17,52,26,041 |
| C. Effect of dilution - 7% Optionally Convertible Non-cumulative Redeemable Preference Shares | Numbers | 4,36,06,742 | 4,36,06,742 |
| D. Weighted average number of Equity shares adjusted for the effect of dilution | Numbers | 21,88,32,783 | 21,88,32,783 |
| E. Nominal value of equity share | ₹ | 10 | 10 |
| F. Basic Earnings per equity share [EPS] | ₹ | (1.60) | (5.08) |
| G. Diluted Earnings per equity share [EPS] | ₹ | (1.28) | (4.07) |

**Note: 38 - Segment Information:**

The Company operates in one segment, namely "Consumer Products".

**Note: 39 - Related Party Transactions:**

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

**a Ultimate Holding Company:** Zydus Lifesciences Limited

**b Holding Company:** Zydus Wellness Limited

**c Subsidiary company :** Zydus Wellness (BD) Pvt Limited [Bangladesh]

**d Fellow Subsidiaries/ Concerns:**

Liva Investment Limited [under liquidation]
Liva Nutritions Limited
Zydus Wellness International DMCC [UAE]
Zydus Healthcare Limited
German Remedies Pharmaceuticals Private Limited
Zydus Animal Health and Investments Limited
Dialforhealth Unity Limited
Dialforhealth Greencross Limited
Violio Healthcare Limited
Zydus Pharmaceuticals Limited
Biochem Pharmaceutical Private Limited
Zydus Strategic Investments Limited
Zydus VTEC Limited
Zydus Medtech Private Limited [w.e.f. May 31, 2024]
Naturell (India) Private Limited [w.e.f. December 02, 2024]
Naturell Inc. [USA] [w.e.f. December 02, 2024]
M/s Recon Pharmaceuticals and Investments, a Partnership Firm
LM Manufacturing India Private Limited [w.e.f. November 6, 2023]
Alidac Healthcare (Myanmar) Limited [Myanmar]
Zydus Healthcare Philippines Inc. [Philippines]
Zydus Lanka (Private) Limited [Sri Lanka]
Zydus International Private Limited [Ireland]
Zydus Netherlands B.V. [the Netherlands]
Zydus Pharmaceuticals (USA) Inc. [USA]
ZyVet Animal Health Inc. [USA]
Zynext Ventures USA LLC [USA]
Zydus Pharmaceuticals (Canada) Inc. [Canada] [w.e.f. September 6, 2023]
LiqMeds Worldwide Limited [UK] [w.e.f. November 6, 2023]
LiqMeds Limited [UK] [w.e.f. November 6, 2023]
LiqMeds Lifecare Limited [UK] [LiqMed] [w.e.f. November 6, 2023]
Zydus Lifesciences Global FZE [UAE] [w.e.f. February 20, 2024]
Zydus Healthcare (USA) LLC [USA]
Sentynl Therapeutics Inc. [USA]
Zydus Noveltech Inc. [USA] [dissolved on December 15, 2023]
Hercon Pharmaceuticals LLC [USA] [dissolved on May 24, 2023]
Viona Pharmaceuticals Inc. [USA]
Zydus Therapeutics Inc. [ZTI] [USA]
Zydus Healthcare S.A. (Pty) Ltd [South Africa]
Alidac Pharmaceuticals SA Pty. Ltd. [South Africa]
Script Management Services (Pty) Ltd [South Africa]
Zydus France, SAS [France]
Laboratorios Combix S.L. [Spain]
Etna Biotech S.R.L. [Italy]
Zydus Nikkho Farmaceutica Ltda. [Brazil]
Zydus Pharmaceuticals Mexico SA De CV [Mexico]
Zydus Pharmaceuticals Mexico Services Company SA De C.V. [Mexico]
Zydus Worldwide DMCC [UAE]
Nesher Pharmaceuticals (USA) LLC [USA]
[merged with Zydus Pharmaceuticals (USA) Inc. [USA] on October 25, 2024]
Zydus Pharmaceuticals UK Ltd. [UK]
Zynext Ventures Pte. Ltd. [Singapore]
LM Manufacturing Limited [UK] [w.e.f. November 6, 2023]
Medsolutions (Europe) Limited [UK] [w.e.f. November 6, 2023]

**e Directors:**

| | |
|---|---|
| Dr. Sharvil P. Patel | Chairman |
| Mr. Ashish Bhargava | Nominee Director upto September 30, 2024 |
| Ms. Dharmishtaben N. Raval | Director |

**f Key Managerial Personnel [KMPs]:**

| | |
|---|---|
| Mr. Tarun Arora | Whole Time Director |
| Mr. Umesh V. Parikh | Chief Financial Officer |
| Mr. Nandish P. Joshi | Company Secretary |

**g Post Employment Benefits Plans:**

Zydus Wellness Sikkim Employee Group Gratuity Scheme
Heinz India Private Limited Pension fund
Heinz India Private Limited Provident Fund [**]
Heinz India Private Limited Employee Provident Fund [**]
Heinz India Private Limited Gratuity fund

**h Enterprises significantly influenced by Directors and/ or their relatives of Holding Company with whom transactions have taken place:**

Mukesh M. Patel & Co.

**i Enterprises significantly influenced by Directors and/ or their relatives of the Company:**

Cadmach Machinery Company Private Limited
Zydus Hospitals and Healthcare Research Private Limited

[**] The Employee's Provident Fund Organisation (EPFO) has granted provisional sanction to trust to start complying as an un-exempted establishment with effect from November 01, 2024.

**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 39 - A [a, b, c, d and g]

₹ in Million

| Nature of Transactions | Value of the Transactions | | | | | |
|---|---|---|---|---|---|---|
| | Holding Company/ Ultimate Holding Company | | Subsidiaries and Fellow Subsidiaries/ concerns | | Post Employment Benefits Plan | |
| | Year ended March 31 | | | | | |
| | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 |
| **Sales:** | | | | | | |
| **Goods:** | | | | | | |
| Zydus Lifesciences Limited | **9** | 20 | **-** | - | **-** | - |
| Zydus Wellness Limited | **139** | 152 | **-** | - | **-** | - |
| Zydus Healthcare Limited | **-** | - | **92** | 116 | **-** | - |
| Zydus Wellness International DMCC | **-** | - | **214** | 102 | **-** | - |
| **Service:** | | | | | | |
| Zydus Lifesciences Limited [₹ 127,380 (Previous Year: ₹ 171,700)] | **0** | 0 | **-** | - | **-** | - |
| Zydus Healthcare Limited | **-** | - | **12** | 22 | **-** | - |
| LM Manufacturing India Private Limited | **-** | - | **3** | - | **-** | - |
| **Property, Plant and Equipment and Other Intangible Assets:** | | | | | | |
| Zydus Wellness Limited | **2** | 3 | **-** | - | **-** | - |
| Zydus Lifesciences Limited | **59** | - | **-** | - | **-** | - |
| **Royalty:** | | | | | | |
| Zydus Wellness International DMCC | **-** | - | **7** | 15 | **-** | - |
| **Reimbursement of Expenses Recovered:** | | | | | | |
| Zydus Lifesciences Limited | **11** | 42 | **-** | - | **-** | - |
| Zydus Wellness International DMCC | **-** | - | **29** | 11 | **-** | - |
| Zydus Wellness Limited | **-** | 13 | **-** | - | **-** | - |
| LM Manufacturing India Private Limited [₹ 459,073] | **-** | - | **0** | - | **-** | - |
| **Purchase:** | | | | | | |
| **Goods:** | | | | | | |
| Zydus Wellness Limited | **2,481** | 2,079 | **-** | - | **-** | - |
| Zydus Healthcare Limited | **-** | - | **-** | 1 | **-** | - |
| **Service:** | | | | | | |
| Zydus Lifesciences Limited | **19** | 17 | **-** | - | **-** | - |
| Zydus Wellness Limited | **33** | 25 | **-** | - | **-** | - |
| Zydus Healthcare Limited | **-** | - | **16** | 15 | **-** | - |
| Zydus Wellness (BD) Pvt Limited | **-** | - | **-** | 3 | **-** | - |
| **Property, Plant and Equipment:** | | | | | | |
| Zydus Wellness Limited | **1** | 11 | **-** | - | **-** | - |
| Zydus Healthcare Limited | **-** | - | **-** | 1 | | |
| **Royalty:** | | | | | | |
| Zydus Wellness Limited | **367** | 318 | **-** | - | **-** | - |
| **Reimbursement of Expenses Paid:** | | | | | | |
| Zydus Lifesciences Limited | **1** | 11 | **-** | - | **-** | - |
| **Finance:** | | | | | | |
| **Intercompany Loan given:** | | | | | | |
| Zydus Wellness Limited | **440** | - | **-** | - | **-** | - |
| **Inter Corporate Loan accepted:** | | | | | | |
| Zydus Healthcare Limited | **-** | - | **300** | 590 | **-** | - |
| Zydus Wellness Limited | **80** | 835 | **-** | - | **-** | - |
| **Inter Corporate Loan repaid to:** | | | | | | |
| Zydus Wellness Limited | **2,715** | 200 | **-** | - | **-** | - |
| Zydus Healthcare Limited | **-** | - | **2,040** | 1,775 | **-** | - |
| **Interest Income:** | | | | | | |
| Zydus Wellness Limited [₹ 339,222] | **0** | - | **-** | - | **-** | - |
| **Interest Expenses:** | | | | | | |
| Zydus Wellness Limited | **97** | 155 | **-** | - | **-** | - |
| Zydus Healthcare Limited | **-** | - | **19** | 149 | **-** | - |
| **Contributions during the year (includes Employee's share and contribution):** | | | | | | |
| Zydus Wellness Sikkim Employee Group Gratuity Scheme | **-** | - | **-** | - | **8** | 9 |
| Heinz India Private Limited Provident Fund | **-** | - | **-** | - | **12** | 23 |
| Heinz India Private Limited Employee Provident Fund | **-** | - | **-** | - | **19** | 32 |
| Heinz India Private Limited Pension Fund | **-** | - | **-** | - | **4** | 4 |

₹ in Million

| | Value of the Transactions | | | | | |
|---|---|---|---|---|---|---|
| | Holding Company/ Ultimate Holding Company | | Subsidiaries and Fellow Subsidiaries/ concerns | | Post Employment Benefits Plan | |
| | As at March 31 | | | | | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **Outstanding Receivable:** | | | | | | |
| Zydus Wellness Limited | 484 | - | - | - | - | - |
| Zydus Lifesciences Limited | 12 | - | - | - | - | - |
| Zydus Wellness International DMCC | - | - | 214 | 81 | - | - |
| Zydus Healthcare Limited | - | - | 20 | - | - | - |
| LM Manufacturing India Private Limited [₹ 74,824] | - | - | 0 | - | - | - |
| **Outstanding Payable:** | | | | | | |
| Zydus Wellness Limited | - | 2,782 | - | - | - | - |
| Zydus Healthcare Limited | - | - | - | 1,751 | - | - |
| Zydus Lifesciences Limited | - | 46 | - | - | - | - |

₹ in Million

| | Year ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| **b** Details relating to persons referred to in Note 39-A [e] and [f] above: | | |
| (i) Salaries and other employee benefits to KMPs | 92 | 59 |
| (ii) Outstanding payable to above (i) | - | 2 |
| **c** Details relating to persons referred to in Note 39-A [h] and [i] above: | | |
| (i) Purchase of services | 2 | 2 |
| (ii) Purchase of goods [₹ 349 (Previous Year: ₹ 73,542] | 0 | 0 |
| (iii) Purchase of Property, Plant and Equipment | 2 | - |
| (iv) Outstanding payable to above (c) [₹ Nil (Previous Year: ₹ 25,000] | - | 0 |

**Note: 40 - 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 Million

| Particulars | As at March 31, 2025 | | | | As at March 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| Investments at FVTPL | | | | | | | | |
| Mutual funds | 291 | - | - | 291 | 721 | - | - | 721 |
| Investments at FVOCI | | | | | | | | |
| Unquoted equity instruments | - | - | 1 | 1 | - | - | 1 | 1 |
| **Total** | 291 | - | 1 | 292 | 721 | - | 1 | 722 |

**(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, investments and other financial assets, cash and cash equivalents and investment in compulsorily convertible debentures are considered to be the approximately equal to the fair values.

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

**Note: 41 - Financial risk management:**

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

₹ in Million

| Particulars | As at March 31, 2025 | | | | As at March 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised Cost | Total | FVTPL | FVOCI | Amortised Cost | Total |
| **Financial assets** | | | | | | | | |
| Investments [other than investment in subsidiary] | 291 | 1 | 6 | 298 | 721 | 1 | 6 | 728 |
| Loans | - | - | 440 | 440 | - | - | - | - |
| Trade receivables | - | - | 3,456 | 3,456 | - | - | 2,683 | 2,683 |
| Cash and cash equivalents | - | - | 556 | 556 | - | - | 623 | 623 |
| Bank balance other than cash and cash equivalents | - | - | 4 | 4 | - | - | 1,591 | 1,591 |
| Other financial assets | - | - | 220 | 220 | - | - | 328 | 328 |
| **Total** | 291 | 1 | 4,682 | 4,974 | 721 | 1 | 5,231 | 5,953 |
| **Financial liabilities** | | | | | | | | |
| Borrowings | - | - | 1,000 | 1,000 | - | - | 5,375 | 5,375 |
| Lease liabilities | - | - | 27 | 27 | - | - | 40 | 40 |
| Trade payables | - | - | 3,861 | 3,861 | - | - | 3,386 | 3,386 |
| Other financial liabilities | - | - | 11 | 11 | - | - | 212 | 212 |
| **Total** | - | - | 4,899 | 4,899 | - | - | 9,013 | 9,013 |

**(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 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's is exposed to credit risk from 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 exposure to bad debts is not significant.

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 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, 2025 and March 31, 2024.

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:

₹ in Million

| Particulars | As at March 31 | |
|---|---|---|
| | 2025 | 2024 |
| **Trade receivables:** | | |
| Less than 180 days | 3,398 | 2,636 |
| 180 - 365 days | 52 | 52 |
| Above 365 days | 23 | 17 |
| **Total** | 3,473 | 2,705 |

Movement in the expected credit loss allowance on trade receivables:

₹ in Million

| Particulars | As at March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Balance at the beginning of the year | 22 | 15 |
| Addition | 3 | 7 |
| Trade receivables written off | (8) | - |
| Balance at the end of the year | 17 | 22 |

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

**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 account the liquidity of the market in which the entity operates. In addition, the Company 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 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 Million

| Particulars | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | Total |
| **Non-derivatives financial liabilities** | | | | | |
| Borrowings [including interest accrued but not due] | 1,000 | - | - | - | 1,000 |
| Lease liabilities | 17 | 7 | 2 | 1 | 27 |
| Trade payables | 3,861 | - | - | - | 3,861 |
| Other financial liabilities [excluding interest accrued but not due] | 3 | - | - | 8 | 11 |
| **Total** | 4,881 | 7 | 2 | 9 | 4,899 |

₹ in Million

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | Total |
| **Non-derivatives financial liabilities** | | | | | |
| Borrowings [including interest accrued but not due] | 3,575 | 2,102 | - | - | 5,677 |
| Lease liabilities | 14 | 17 | 7 | 2 | 40 |
| Trade payables | 3,386 | - | - | - | 3,386 |
| Other financial liabilities [excluding interest accrued but not due] | 96 | - | - | 6 | 102 |
| **Total** | 7,071 | 2,119 | 7 | 8 | 9,205 |

**C. Foreign currency risk:**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Other currency. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Company.

a **Foreign currency risk exposure:**

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

₹ in Million

| | As at March 31 | |
|---|---|---|
| | **2025** | 2024 |
| | **Exposure of USD** | |
| **Financial assets:** | | |
| Trade receivable | **233** | 93 |
| **Total exposure to foreign currency risk [assets]** | **233** | 93 |
| **Financial liabilities:** | | |
| Trade payable | **13** | 1 |
| **Total exposure to foreign currency risk [liabilities]** | **13** | 1 |
| **Net exposure to foreign currency risk assets** | **220** | 92 |
| | **Exposure of Other Foreign Currency** | |
| **Financial liabilities:** | | |
| Trade payable | **1** | 2 |
| **Total exposure to foreign currency risk [liabilities]** | **1** | 2 |
| **Net exposure to foreign currency risk [liabilities]** | **(1)** | (2) |

**Sensitivity:**

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in Million

| **Particulars** | **As at March 31, 2025** | | As at March 31, 2024 | |
|---|---|---|---|---|
| | **Movement in Rate [*]** | **Impact on PAT** | Movement in Rate [*] | Impact on PAT |
| USD | **2.5%** | **4** | 1.5% | 1 |
| USD | **(2.5%)** | **(4)** | (1.5%) | (1) |
| Others | **5%** | **(0)** | 1% | (0) |
| Others | **(5%)** | **0** | (1%) | 0 |

[*] Holding all other variables constant

**D. Interest rate risk:**

The Company policy is to minimise interest rate cash flow risk exposures on financing. As at March 31, 2025, the Company is not exposed to changes in market interest rates through bank borrowings at fixed interest rates. The Company 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 Million

| **Particulars** | **Movement in Rate [*]** | **As at March 31** | |
|---|---|---|---|
| | | **2025** | 2024 |
| Interest rates | **0.50%** | **(3)** | (18) |
| Interest rates | **(0.50%)** | **3** | 18 |

[*] Holding all other variables constant

**E. Price Risk:**

**(a) Exposure:**

The Company 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 Funds:**

The table below summarises the impact of increases/decreases of the index on the Company 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.

₹ in Million

| **Particulars** | **Movement in Rate [*]** | **As at March 31** | |
|---|---|---|---|
| | | **2025** | 2024 |
| **Mutual Funds [Quoted]** | | | |
| Increase | **2%** | **4** | 10 |
| Decrease | **(2%)** | **(4)** | (10) |

[*] Holding all other variables constant

**Note: 42 - Capital management:**

The Company capital management objectives are

- to ensure the Company ability to continue as a going concern
- to provide an adequate return to shareholders
- maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Company 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 | |
|---|---|---|---|
| | | 2025 | 2024 |
| Gross debts | ₹ in Million | 1,000 | 5,375 |
| Total equity | ₹ in Million | 25,065 | 25,347 |
| Gross debt to equity ratio [No. of times] | | 0.04 | 0.21 |

As at March 31,2025 and March 31,2024, there are no covenant applicable to the Company.

**Note: 43 - Leases:**

**Lessee:**

**A Relating to statement of financial position:**

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 Million

| Right of use assets | Leasehold Land | Building | Total |
|---|---|---|---|
| **Balance as at April 1, 2023 [net]** | 146 | 40 | 186 |
| Additions during the year | - | 8 | 8 |
| Asset classified as held for sale [Refer Note- 3 (A)] | (94) | - | (94) |
| Depreciation charge for the year | (2) | (13) | (15) |
| **Balance as at March 31, 2024 [net]** | 50 | 35 | 85 |
| Additions during the year | - | - | - |
| Depreciation charge for the year | (2) | (14) | (16) |
| Asset reclassified from held for sale [Refer Note- 3 (A)] | 94 | - | 94 |
| **Balance as at March 31, 2025 [net]** | **142** | **21** | **163** |

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.

**Movement in lease liabilities:**

₹ in Million

| Lease liabilities | As at March 31 | |
|---|---|---|
| | 2025 | 2024 |
| **Balance at the beginning of the year** | 40 | 45 |
| Additions | - | 8 |
| Redemptions | (13) | (13) |
| **Balance at the end of the year** | 27 | 40 |
| of which: | | |
| Non-Current portions | 10 | 26 |
| Current portions | 17 | 14 |

**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 Million

| Minimum lease payments due | As at March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Within 1 years | 17 | 18 |
| 1-5 years | 10 | 30 |
| **Total** | 27 | 48 |

**Note: 44-Analytical Ratios:**

| Sr.No. | Ratio | Numerator | Denominator | FY 2024-2025 | FY 2023-2024 | % of variance | Refer note |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (in times) | Current Assets | Current Liabilities | 1.78 | 1.50 | 19% | - |
| 2 | Debt-Equity Ratio (in times) | Total Debt | Equity | 0.04 | 0.21 | (81%) | i |
| 3 | Debt Service Coverage Ratio (in times) | Earnings available for debt service | Debt Service | 21.36 | 7.31 | 192% | i, ii, iii |
| 4 | Return on Equity Ratio (in %) | Net Profits after taxes | Average shareholder equity | (1.11) | (3.45) | (68%) | ii |
| 5 | Inventory turnover ratio (in times) | Net Sales | Average Inventory | 5.46 | 5.01 | 9% | - |
| 6 | Trade Receivables turnover ratio (in times) | Net Sales | Average Trade Receivables | 8.47 | 9.80 | (14%) | - |
| 7 | Trade payables turnover ratio (in times) | Net Purchases | Average Trade Payables | 6.45 | 6.52 | (1%) | - |
| 8 | Net capital turnover ratio (in times) | Net Sales | Working Capital | 5.85 | 5.93 | (1%) | - |
| 9 | Net profit ratio (in %) | Net Profits | Net Sales | (1.08) | (3.91) | (72%) | ii |
| 10 | Return on Capital employed (in %) | Earnings before interest and taxes | Average Capital Employed | (1.00) | (3.67) | (73%) | i, ii, iii |
| 11 | Return on investments (in %) | | | | | | |
| a | Fixed Deposits | Income generated from investments | Time weighted average of investments | 7.46 | 7.64 | (2%) | - |
| b | Mutual funds | Income generated from investments | Time weighted average of investments | 6.62 | 6.81 | (3%) | - |

**Notes**

i Due to reduction in net debt.

ii Mainly due to increase in revenue from operations and decrease in losses.

iii Mainly due to reduction in finance cost on account of repayment of borrowings.

**Note: 45:**

The Company is exempted from preparation of consolidated financials statements u/s 129(3) of Companies Act, 2013 as its holding company Zydus Wellness Limited is preparing consolidated financial statements which is available on website: www.zyduswellness.com.

**Note: 46:**

The Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. The audit trail has been preserved by the company as per the statutory requirements for record retention.

**Note: 47 - Disclosure of Transaction with Struck Off Companies:**

The Company has not entered into any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

**Note: 48:**

[a] The Company has not advanced or loaned or invested funds [either from borrowed funds or share premium or any other sources or kind of funds] to any other persons or entities, including foreign entities [Intermediaries], with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company [Ultimate Beneficiaries] or provide any guarantee, security or the like 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: 49:**

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

**Signatures to Material Accounting Policies and Notes 1 to 49 to the Financial Statements**

As per our report of even date
For Talati & Talati LLP
Chartered Accountants
Firm Registration Number: 110758W/W100377

For and on behalf of the Board

| | | | | |
|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| **Kushal Talati** | **Dr. Sharvil P. Patel** | **Tarun Arora** | **Umesh V. Parikh** | **Nandish P. Joshi** |
| Partner | Chairman | Whole Time Director | Chief Financial Officer | Company Secretary |
| Membership Number: 188150 | DIN: 00131995 | DIN: 07185311 | | Membership Number: A39036 |
| Place: Ahmedabad | Place: Ahmedabad | Place: Ahmedabad | Place: Ahmedabad | Place: Ahmedabad |
| Date: May 16, 2025 | Date: May 16, 2025 | Date: May 16, 2025 | Date: May 16, 2025 | Date: May 16, 2025 |