Zenex Animal Health

Rich past, Exciting future

INCLUSIVE GROWTH

SUSTAINABLE VALUES

ANNUAL REPORT 2022-23

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FY 2023 Highlights

With a rich past and exciting future, Zenex Animal Health India Private Limited (Zenex) moves ahead with an aim of becoming one of the leading companies in Indian animal healthcare industry. By embarking on a successful journey, Zenex strives to foster inclusive growth for all stakeholders. It has a particular focus on veterinarians and farmers - to strengthen the veterinarians in their mission to treat and contain the spread of animal diseases effectively. Additionally, Zenex seeks to improve the productivity of animals thereby enhancing the income of the farmers.

749 CRORE
REVENUE

178 CRORE
EBITDA 24%

WEBSITE
www.zenexah.com

EMAIL ID
enquiry@zenexah.com

CORPORATE INFORMATION

BOARD OF DIRECTORS
Ms. Renuka Ramnath (Chairperson and Nominee Director)
Dr. Arun Atrey (Managing Director & CEO)
Mr. Manish Gaur (Nominee Director)
Mr. Utpal Sheth (Nominee Director)
Mr. Andrew Yee (Nominee Director)
Mr. Sushil Mehta (Independent Director)

CHIEF FINANCIAL OFFICER
Vishal A Shah

COMPANY SECRETARY
Swati

BANKERS
Axis Bank Ltd
Panchvati Circle Branch, Ahmedabad
Kotak Mahindra Bank Ltd
Jodhpur Cross Roads Branch, Ahmedabad
ICICI Bank Limited
JMC House Branch, Ahmedabad

STATUTORY AUDITORS
M/S KKC & Associates, LLP
Chartered Accountants

COST AUDITORS
M/s Dalwadi & Associates
Cost Accountants

SECRETARIAL AUDITORS
M/S Pradeep Purwar & Associates
Practising Company Secretary

INTERNAL AUDITORS
M/s. Ernst & Young, LLP

REGISTERED OFFICE
9th Floor, Puniska House, Next to One 42,
Opp. Jayantilal Park BRTS, Ambli Bopal Road
Ahmedabad 380054, Gujarat

REGISTRAR AND SHARE TRANSFER AGENT
Link Intime India Private Limited
C-13, PannalalSilk Mills Compound
L.B.S Marg, Bhandup (West)
Mumbai (400078)

PLANT/FACILITY
Plot- F1/1, Sector-6B, SIIDCUL, IIE
Haridwar – 249403 , Uttarakhand

CIN
U24299GJ2021PTC120998

ISIN
INE0I6601016

INCLUSIVE GROWTH, SUSTAINABLE VALUES

In the vast ecological tapestry, animals matter. Zenex understands this and has spent over six decades developing ground-breaking, first-to-market products to help the veterinary and farming communities to take better care of animals.

The Company's key objective is to foster inclusive growth in the animal healthcare industry where all animals receive adequate healthcare. As part of the Company's journey to inclusive growth, Zenex has been delivering a vast range of products in preventive and therapeutic segments. Through collaboration with the Asian Development Bank's One Health approach, the Company is making an effort to create awareness about 'good animal husbandry practices' and the importance of 'One Health approach'.

There is a growing awareness about the interconnectedness between human, animal and environmental health. The Company understands how crucial it is to embrace practices that not only improve the well-being of animals but also foster long-term sustainability for the planet. Zenex is proud to lead the way in promoting sustainable value in animal healthcare and is dedicated to providing compassionate care while minimising the environmental footprint. With the Company's first ever Annual Report, Zenex aims to solidify the resolve of creating an inclusive growth environment and sustainable value for every stakeholder.

ABOUT THE REPORT

Zenex has prepared its first ever Annual Report in line with all statutory requirements. Quantitative and qualitative data highlighted in the report covers the financial year from April 1, 2022 to March 31, 2023, unless otherwise stated. This report focuses on giving an overview of the Company, its product portfolio and key financial and performance highlights. It also contains information about the Board of Directors and the Company's projects while additionally highlighting the sustainability initiatives that the Company has undertaken to build a better world.

Company Overview

DRIVING INCLUSIVE WELL-BEING IN ANIMAL CARE

Zenex Animal Health India Private Limited is one of the largest animal healthcare companies in India, leading the way towards inclusive growth and the embodiment of sustainable values. With a strong foundation built over six decades, the Company has forged invaluable alliances and harnessed its expertise to cater to a diverse range of species – mainly livestock, poultry and companion animals.

Having around 200 brands, Zenex holds a leadership position in several therapeutic segments. The Company has garnered notable recognition for its product portfolio and excellent distribution network, exporting to over 30 countries. As a trailblazer in product development, Zenex takes pride in introducing numerous pioneering solutions to the Indian market. With an unwavering dedication to serving the veterinary and farming communities, the Company consistently strives to provide innovative and quality solutions to its customers' evolving needs.

Zenex operates through species-based strategic business units (SBUs) to address the unique requirements of various animal species. With a well-trained field force, the Company provides techno-commercial services to support the veterinary and farming communities in India.

Continuously fortifying its portfolio, Zenex has cemented its position in the animal health industry by establishing a strategic marketing tie-up with Phibro Animal Health Corporation (Phibro AHC) for over two decades. This collaboration enables the Company to leverage Phibro AHC's expertise and resources to expand its reach and offer enhanced solutions to its customers.

In July 2021, Zydus Animal Health & Investments Ltd (ZAHL) divested a part of its business to a consortium of investors resulting in the creation of a new entity Zenex Animal Health Pvt. Ltd.
With inherited experience and expertise, Zenex is poised to continue delivering innovative and impactful animal health solutions, empowering customers and advancing the well-being of animals across India.

PHIBRO AHC
MARKETING ALLIANCE FOR OVER TWO DECADES

WHO-GMP
CERTIFIED MANUFACTURING FACILITY IN HARIDWAR

600+
PAN-INDIA FIELD FORCE

~200
BRANDS IN THE PRODUCT PORTFOLIO

30+ COUNTRIES
GLOBAL PRESENCE AND EXPORT CAPABILITIES

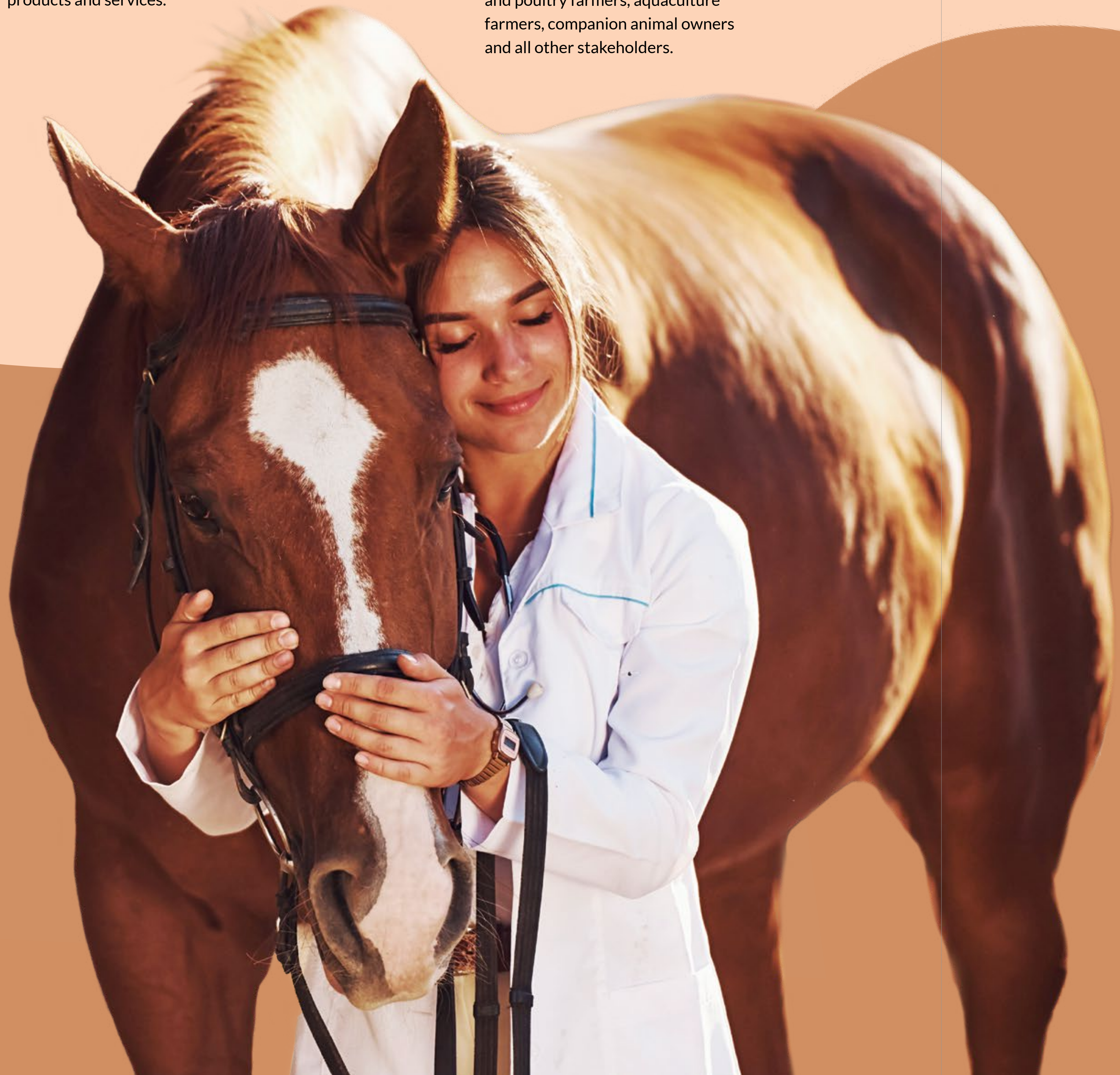
OVER 6 DECADES
OF OPERATIONAL EXPERIENCE

MISSION

We shall provide comprehensive healthcare, help improve the productivity of animals and birds through safe, innovative and quality products and services.

VISION

To be amongst the most valued global animal health companies for animal healthcare professionals, livestock and poultry farmers, aquaculture farmers, companion animal owners and all other stakeholders.



CORE VALUES

Zenex Animal Health
Rich past, Exciting future

DIVERSITY | EQUITY | INCLUSION

Fostering a culture of respect, inclusion and equity

QUICK ADAPTABILITY

Keeping pace with the change

INNOVATION

Being innovative in all that we do

DELIVERING EXCELLENCE

Ensuring the best, always

COLLABORATION

'WE' before 'I'

JOURNEY

A TRAILBLAZING 6 DECADE ODYSSEY

Zenex has transformed from pioneers to innovators, forging a path of consistent and inclusive growth. Supported by formidable distribution and manufacturing capabilities, its 60+ years of journey redefines excellence in the animal health industry.

HOW IT STARTED

1961

Sarabhai Chemicals (ASE) entered the animal health business in 1961.

1982

Cadila Veterinary started its animal health business.

1995

Post restructuring, Cadila Veterinary became Zydus Aqrovet.

2000

Zydus Aqrovet and Sarabai (ASE) entered into a 50-50 joint venture to form Sarabhai Zydus. It became one of the biggest animal health companies in India.

2007

Zydus Cadila acquired ASE's stake & Zydus AHL became a 100% subsidiary of Zydus group.

2011

Acquisition of Bremer Pharma - Germany.

2016

Zydus acquired many brands and manufacturing facility from Zoetis India Ltd.

2018

Disinvestment of Bremer Pharma. International Business continued from Haridwar Plant.

2021

Zydus Animal Health & Investments Ltd (ZAHL) divested a part of its business to a consortium of investors, resulting in the creation of a new entity Zenex Animal Health Pvt. Ltd.

Board of Directors

THE LEADING MINDS OF THE ANIMAL HEALTH ECOSYSTEM

Zenex's Board of Directors comprises a diverse group of visionary minds, entrusted with steering the Company's success. They strategically guide the team through the dynamic landscape of the animal health industry, driving innovation and fostering collaboration.

RENUKA RAMNATH

Chairperson

Ms. Renuka Ramnath is the Founder, Managing Director and CEO of Multiples Alternate Asset Management, a private equity manager and advisor to funds of ~ USD 3 bn in AUM. Renuka Ramnath is one of the most experienced private equity fund managers in India, with a career of over 35 years in financial services. Ms. Ramnath started her career with the ICICI group which culminated in becoming the MD & CEO of ICICI Venture. She was instrumental in building it into one of the largest private equity funds in the country. In 2009, she established Multiples, an India-focused private equity platform, driven by her passion for supporting entrepreneurs and fostering sustainable businesses. Ms. Ramnath's exceptional leadership and contributions have earned her recognition as one of the most powerful women in business and she has been honoured with prestigious awards and accolades. She holds a Bachelor of Engineering degree from VJTI and an MBA from the University of Mumbai. Additionally, she has completed the Advanced Management Program at Harvard Business School.

DR. ARUN ATREY

Managing Director and CEO

Dr. Arun Atrey serves as the Managing Director and CEO of Zenex Animal Health India Private Limited. With an impressive 38 years of experience, including 36 years of dedicated service to the Zydus Cadila Group (Now Zydus Lifesciences), Dr. Atrey brings a wealth of expertise to his role. With a degree in Veterinary Science and a postgraduate degree in business management (University Topper & Gold Medallist), his remarkable journey began in 1985 when he joined Cadila Veterinary as a Product Executive after a short stint in the FMCG industry. He was given the complete responsibility of building the animal health business of Cadila in 1986 as its Business Head. He played a pivotal role in the joint venture between Zydus Cadila and Ambalal Sarabhai Enterprises Ltd. in 2000 and continued to lead the new JV as its COO and Whole-time Director.

Under Dr. Atrey's leadership, Zydus Cadila achieved significant milestones - introducing numerous groundbreaking veterinary products to the Indian market. These achievements led to Zydus Animal Health being recognised as the best Animal Health Company in India, the Middle East and Africa by Animal Pharm, UK in 2015, 2017 and 2018. In addition, the Company received prestigious awards such as 'The Best Poultry Company Award' in 2010 (IPJA) and 2014 (Poultry Fortune), among others.

Dr. Arun Atrey actively engages in the Animal Health industry. He is a Founder Director and a Past President (2015-2017) of INFAH (Indian Federation of Animal Health Companies). He is also the Chairman of the 'Therapeutic & Disinfectant Subcommittee' of INFAH. His contributions to the industry have been recognised through honours and awards, including the 'Best CEO in the Poultry Industry 2018 Award' instituted by the Poultry Fortune Group. Dr. Atrey's insights and expertise make him a sought-after speaker at industry forums, management and veterinary institutes. He is also a member of expert committee of IPC veterinary group.

MANISH GAUR

Nominee Director

Manish Gaur is an investment professional with nearly 20 years of experience, serving as a Nominee Director for Zenex. He joined Multiples in 2019 after spending over 14 years with The Carlyle Group, where he focused on investments in pharmaceuticals, technology, business services, consumer goods and industrial sectors. With a background in equity research at prominent firms like Credit Suisse and Deutsche Bank, Manish brings a wealth of knowledge to his role. At Multiples, he leads investments across pharmaceutical, healthcare, enterprise tech, industrial and logistics sectors. Manish holds a postgraduate diploma in management from the Indian Institute of Management (IIM), Ahmedabad and a Bachelor of Technology degree from the Indian Institute of Technology (IIT), Bombay. He is also a CFA charter holder.

UTPAL SHETH

Nominee Director

Mr. Utpal Sheth brings a wealth of expertise to the board, with a distinguished career spanning over 30 years in the Indian capital markets. He serves as the CEO and Senior Partner at RARE Enterprises, a multi-billion dollar proprietary asset management firm. In this role, Mr. Sheth directs his extensive experience towards long-term investments in both the public markets and private equity. His adept portfolio construction and risk management skills contribute to the firm's success. As an advocate for sustainable value creation, Mr. Sheth actively engages with investee companies, fostering an environment that enhances shareholder value. His strategic insights and keen understanding of market dynamics drive growth and innovation.

Furthermore, Mr. Sheth is the Founder and Mentor of TRUST Group, a prominent player in the fixed income space that has evolved into an extensive financial institution. His leadership within TRUST Group is characterised by a focus on strategic direction, institutionalisation and effective team building. Mr. Utpal Sheth's extensive experience, strategic vision and commitment to excellence make him an invaluable asset to the board.

ANDREW YEE

Nominee Director

Andrew Yee joined IFC's Asset Management Company in 2014 as Co-head of the Emerging Asia Fund, overseeing investments across a diverse range of industries in India, Sri Lanka, Bangladesh, the Philippines, Vietnam, China and Myanmar. With over two decades of experience in private equity, industry and banking, Andrew has made a significant impact in his previous roles. Prior to his tenure at IFC, he held key positions at Standard Chartered Bank Private Equity and InterGen Asia. His expertise in infrastructure investments and his strategic contributions to the industry have been widely acknowledged. Andrew holds a Bachelor of Commerce degree (majoring in Accounting) and a Bachelor of Laws degree from the University of New South Wales in Sydney, Australia.

SUSHIL MEHTA

Independent Director

An inveterate traveler, a great number cruncher and a man who knows how to back the right start-up, Chairman Sushil Mehta has donned many hats. With a post graduate degree in Microbiology, he has rich work experience with companies like Glaxo Labs, Ranbaxy and Becton Dickinson on the business side. He led the Management Buy Out (MBO) of the allied business of Ranbaxy by ICICI Venture capital fund in 2005.

As CEO of the newly formed enterprise RFCL Ltd he divested the businesses by 2011, thus creating handsome returns for the stakeholders. In 2011, after being acquired by Avantor Performance Materials through New Mountain Capital (a New York-based PE fund) he was part of the Global Leadership team as EVP - Lab & Diagnostics and India Region. In 2015, with thirty-five years of experience in the Life Sciences Industry he turned Angel Investor with an aim to associate with start-ups and help them build teams and achieve operational excellence.

Product Portfolio

INCLUSIVE CARE WITH A HOLISTIC PRODUCT RANGE

Investing in animal healthcare not only enhances the lives of individual animals but also has wide-ranging implications for human health and food security, underscoring the profound impact of complete animal care on society as a whole. The Company's dynamic product portfolio encompasses a remarkable range of revolutionary solutions, reflecting its commitment to providing cutting-edge care for animals.

LIVESTOCK - THERAPEUTIC AND FARMCARE

Encompassing nationwide coverage through a sales team, chemists, Carrying and Forwarding Agents (CFAs) and distributors, this Livestock Strategic Business Unit (SBU) boasts a diverse portfolio of over 120 brands, ranging from antimicrobial, anti-parasitic and anti-allergic to vitamins. Some of them are introduced as first-to-market products and distributed through global tie-ups.

LEADING PRODUCT SEGMENTS IN THERAPEUTIC

Anti-bacterial	Zenex is a dominant player in the anti-bacterial segment, with the fastest moving brands amongst the entire therapeutic category of animal healthcare in the country.	**Dicrysticin, Steclin, FPP-20 & FPP-40, Biotrim, Marbodac**
Vitamins & Tonics	Cementing a strong presence in Livestock Supportive Therapy through leading brands.	**Belamyl, Neuroxin M**
Intra-mammary Infusions	Zenex is a frontrunner in the prevention and treatment of bovine mastitis with pioneering medicines.	**Pendistrin SH, Uddercef**
Corticosteroids	A pioneer in introducing first-to-market products that have become the leading brands in the category.	**Isoflud, Vetalog, Dexona**
NSAID	Holds a significant presence in the category with prominent brands.	**Zobid M, Oxalgin NP**
Wound/ Tissue Healer	A pioneer in introducing a unique blend of proteolytic enzymes and bioflavonoids for healing damaged tissues and chronic wounds.	**TissuAid**
Sedative/ Tranquilizer	Zenex offers unique and leading brands that fulfil the needs of veterinarians in the category.	**Siquil**
Infusions	Maintains a significant presence with a first-to-market product and other solutions in the category to address a variety of conditions such as the expansion of plasma volume, correction of dehydration and electrolyte disturbances.	**VetPlasma, Bovilyte, Qualidrops**

LEADING PRODUCT SEGMENTS IN FARMCARE

Feed Additive/ Nutraceuticals	Zenex has numerous trusted and popular brands that address various nutritional challenges in dairy animals.	**Chelated Ranmix Shakti (CRS), Vitamix Gold, Capsola, Sodaphos, Balanion**
Anti-parasitics	Holds a significant market share with a first-to-market product along with popular brands in the category.	**Zycloz, Distodin, Dermeez, Fenbezol**

POULTRY - BIOLOGICALS & NON-BIOLOGICALS

India is the third-largest egg producer and fifth-largest chicken producer in the world. Despite many challenges and obstacles, poultry farming in India has progressed substantially over the previous decade. The Company remains dedicated to delivering innovative healthcare solutions to meet the emerging needs of Indian poultry farmers.

LEADING PRODUCT SEGMENTS IN POULTRY

Poultry Biologicals	Zenex has a business alliance with Phibro Inc. to market a complete range of poultry vaccines in India and Nepal.	**IBD MB, ND VH, Gumbin, Nectiv Forte, Bronchin**
Probiotics	A robust portfolio of probiotic formulations is housed under its umbrella brand Improval, intended for use in poultry. Recently, Zenex has developed the first-ever novel strain for a probiotic solution in poultry.	**Improval BFS, Improval MS, Improval Gold**
Coccidiostats	Offers a wide range of solutions against coccidiosis with renowned brands in the segment.	**Coxistac, Monywin, Monacox, Occidal, Rancox**
Nutraceuticals	Offers an exhaustive range of feed additives and supplements, including vitamin-mineral premixes, enzymes, liver tonics, acidifiers, toxin binders, respiratory stimulants, electrolytes and immune-modulators.	**V-Max: Myghtycal, Famitone, Zanitizer, Cadliv, Winmyco, Supplemin, Toxiwin**
Biosecurity & Farm Hygiene	A wide range of formulations, including QUAT-based, phenolic compounds, organic acids and glutaraldehyde-based preparations, to suit different modes of application in poultry farms.	**Qualitrol, Glufort, Zysept, Biofighter**

COMPANION ANIMALS

Animal healthcare and pharma play a crucial role in the well-being and longevity of pets. The Company provides essential treatments, preventive measures and supportive care to address various health concerns and maintain optimal health. Committed to formulating innovative treatment solutions, Zenex is working on strengthening capabilities in this segment.

LEADING PET BRANDS

Zenex also has a presence in the companion animal segment, offering solutions in various categories including anti-parasitics, multivitamins, dermal and nutraceutical products.	**Verol, Alfanil, Front Band Plus, Petderm, Spectrazole, Home Food Plus, Milk-O-pet**

Geographical Footprint

EXPANDING THE CIRCLE OF IMPACT

Zenex has its presence in more than 30 countries, ensuring that animals everywhere receive the utmost quality care they deserve. With cutting-edge technology-driven manufacturing facility, state-of-the-art product development centres and a strong regulatory team, the Company aims to establish itself as a truly homegrown global player in the animal health space.

15 PRIMARY MARKETS

15 SECONDARY MARKETS

Manufacturing and Distribution Strengths

A TESTAMENT TO MANUFACTURING AND SUPPLY CHAIN EXCELLENCE

Zenex's cutting-edge manufacturing facility is located in the SIIDCUL industrial area of Haridwar, Uttarakhand in India. The facility has been dedicated to the production of quality formulations viz. liquid oral, injectables, bolus and powder.

The manufacturing excellence exhibited at Zenex's Haridwar facility exemplifies the Company's commitment to producing top-quality products while adhering to stringent compliance measures and upholding the highest levels of professionalism. Equipped with automated machinery tailored for animal health products, the facility is WHO-GMP certified along with multiple regulatory accreditations. While the facility has already been approved by Saudi FDA, during the FY 2023, the Company's manufacturing plant has received GMP approval from EAA (Ethiopian Agricultural Authority) Ethiopia, NDA (National Drug Authority) Uganda and VMD (Veterinary Medicines Directorate) Kenya.

The facility covers an expansive space of approximately 10,776.85 sq. mt., accommodating critical areas such as production, quality control, quality assurance, utilities and the dispatch area. Committed to upholding the highest industry standards, the Haridwar plant strictly follows Good Manufacturing Practices (GMP). By complying to GMP guidelines, Zenex minimises risks and prevents contamination, safeguarding the integrity of its manufactured goods. The Company maintains rigorous control over raw materials, manufacturing equipment and personnel training to guarantee consistency and reliability in its products. Zenex instils confidence in veterinarians, animal caretakers and farmers, assuring them that they can rely on its animal health medicines and formulations to provide the utmost care for their animals.

The facility's Quality Control Laboratory is equipped with state-of-the-art instruments, including HPLC, UV spectrophotometer, Infra-Red spectrophotometer and Vitek 2.0 for precise microbial identification. With a dedicated microbiology laboratory for sterile and non-sterile product testing and a packaging material testing laboratory, the facility ensures rigorous quality checks throughout the manufacturing process. Zenex follows the Quality by Design (QbD) approach, which ensures that the quality is built into the system.

Emphasising environmental, social and governance (ESG) principles, the Haridwar facility complies with EHS regulations and fulfils all statutory and regulatory requirements. Additionally, Zenex exports its products to CIS, APAC, Middle-East and African countries - showcasing its ability to meet the rigorous regulatory standards of importing nations.

With a well-managed distribution system encompassing India, Zenex has established a network of CFAs and a centralised hub in Ahmedabad. At Zenex, they prioritise delivering their products to end customers under precise temperature conditions, ensuring optimal quality. Through its robust supply chain management, Zenex contributes to the preservation of animal life by handling a significant volume of goods.

24
CFAs (CARRYING FORWARDING AGENTS)

AHMEDABAD
CENTRALISED HUB

10,000+ MT
DISTRIBUTION OF GOODS TO END CUSTOMERS THROUGH EFFICIENT SUPPLY CHAIN

Strategic Business Units

EMPOWERING SPECIALISED AND SUSTAINABLE SOLUTIONS

In order to cater to the specific needs of different animal species, Zenex operates through species-based strategic business verticals.

LIVESTOCK BUSINESS

Zenex's Livestock Business stands as a formidable pillar of the Company's revenue. Within this segment, the Therapeutic division maintains leadership position in key therapeutic segments such as Antibacterial, Intra-mammary, Vitamin Injections, NSAIDs and Steroids. Additionally, it boasts an extensive product range across various categories, with many being First-to-Market products. The Farmcare Business within the Livestock vertical also effectively caters to customer needs of animal care nationwide, achieving deep market penetration.

LEADERSHIP IN KEY THERAPEUTIC SEGMENTS

Holds a leadership position in many therapeutic categories including anti-infective, tonic injections, intra-mammary, anti-parasitics, corticosteroids and sedatives

FIRST-TO-MARKET PRODUCTS

Proudly holds a unique distinction in introducing a large number of first-to-market products

COMPREHENSIVE PRODUCT RANGE

More than 120 brands catering all major segments including antimicrobial, tonic & vitamins, corticosteroids, intra-mammary, NSAIDs, nutraceuticals, anti- parasitics, probiotics, sedatives, infusions and hormones etc.

EXCELLENT DISTRIBUTION NETWORK

Wide distribution network of CFAs & Stockiests ensuring coverage across the nation

EXTENSIVE FIELD FORCE AND CUSTOMER-CENTRIC APPROACH

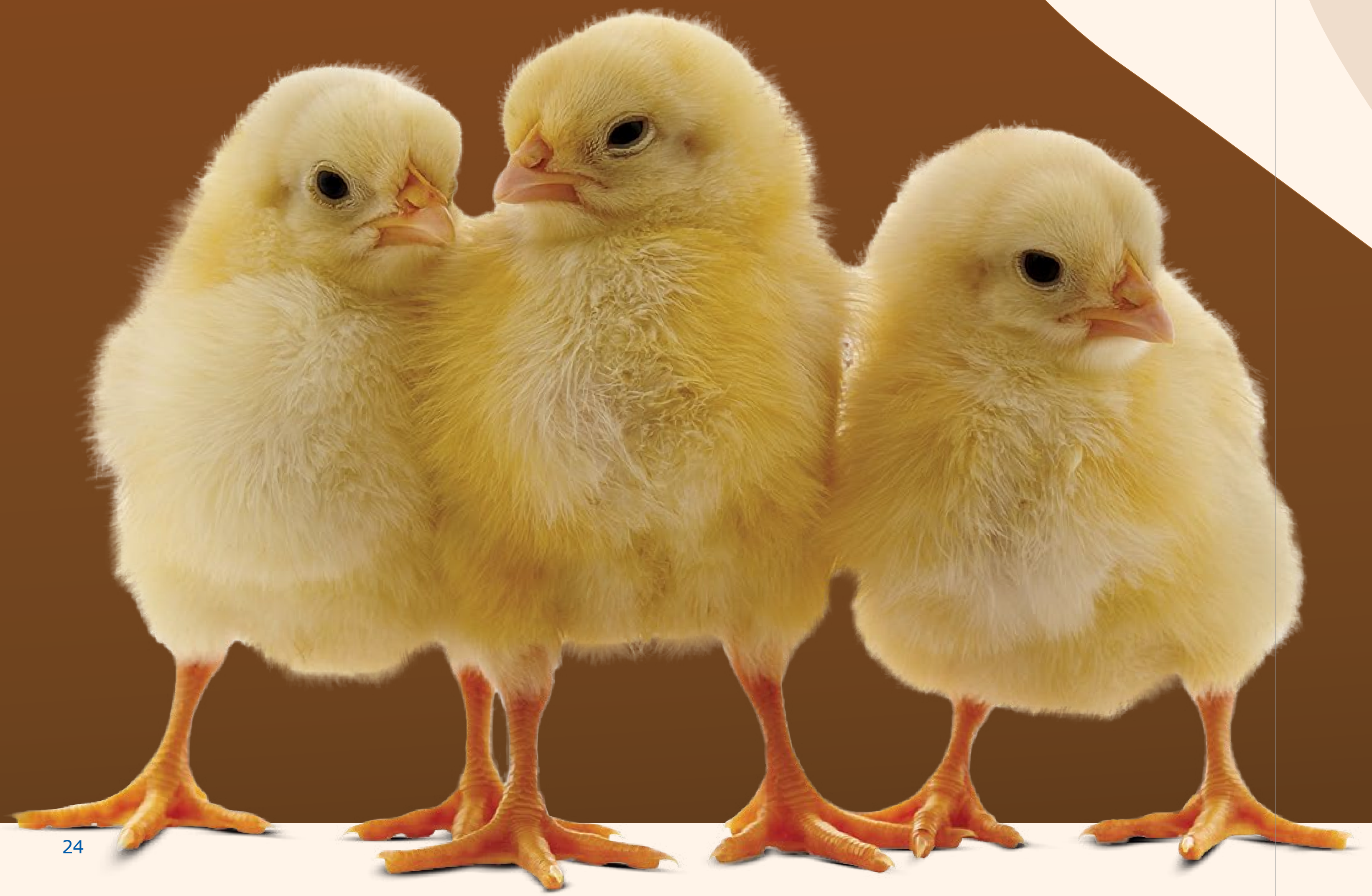
A 500+ field force with a vast geographical presence in India, serving more than 1 lakh customers every month

FIELD TECHNICAL SERVICES

Offering field technical services to the veterinary and farming fraternities in India with the help of a well trained field force

POULTRY BUSINESS

The Poultry Business vertical offers a holistic range of poultry products and solution-based services to improve productivity and contain diseases. By providing the necessary tools and resources, the division empowers poultry farmers to navigate obstacles and achieve sustainable growth.



IMPECCABLE SOLUTION-BASED SERVICES

Solution-based services to support poultry farmers, including serosurveillance and mycoplasma control programmes, along with feed analytical services focusing on increasing productivity across broiler and layer farms

FRONTRUNNER IN POULTRY HEALTHCARE

Among the leading companies in India with strong brands and extensive customer engagement

NOVEL SOLUTIONS

Screened and developed the first-ever novel Probiotic strain (Bacillus Siamensis ZMT02) for poultry probiotic solutions, maintaining the highest standards in product offerings through continuous improvement in operations

LEADERSHIP IN KEY THERAPEUTIC SEGMENTS

Strong foothold in various therapeutic segments, including vaccines, feed additives, farm hygiene products and probiotics

EXCELLENT DISTRIBUTION NETWORK

Broad distribution network of CFAs, distributors and stockiests ensuring PAN India coverage

EXTENSIVE PRODUCT RANGE

Covers all major therapeutic segments in poultry healthcare, including antimicrobial, coccidiostat, acidifier, anti-parasitic, biosecurity, farm hygiene products, probiotics, feed additives, toxin binders and poultry vaccines

INTERNATIONAL BUSINESS

With its presence in 30 countries, Zenex is further expanding its reach to other global markets. The Company values its partnerships with customers across regions, working closely to meet their evolving requirements in both the farm animal and companion animal sectors.

Driven by a vision to be a reputed player in the international business, Zenex has embarked on a transformative journey. With cutting-edge technology-driven manufacturing facility, state-of-the-art product development centres and a strong regulatory team, the Company aims to establish itself as a truly homegrown global player in the animal health space.

EXHAUSTIVE PRODUCT RANGE

An extensive range of nutritional & therapeutic products, along with a wide range of new products in the pipeline

INTERNATIONAL PRESENCE IN 30+ COUNTRIES

Has a strong presence across continents and countries

FIRM FOOTPRINT ACROSS MAJOR MARKETS

STRONG R&D AND REGULATORY COMPLIANCE

A well-qualified regulatory and a new product development team

CHAIRPERSON'S MESSAGE

DEAR SHAREHOLDERS,

I am pleased to present Zenex's strong performance for the past fiscal year. Our Company has reported industry-leading growth and profitability, leveraging its strengths in high-quality portfolio of brands and an extensive, nimble sales and distribution engine.

Our comprehensive portfolio of therapeutic products has played an important role in addressing the debilitating Lumpy Skin Disease, which affected the livestock population in several states last year. Our Company capitalised on its pan India distribution network to respond to the needs of dairy farmers in all key states across the country.

Zenex has a distinguished track record of introducing the largest number of new products to the Indian market, which is a key part of our strategy for strengthening our portfolio's resilience. Our Company has been able to build on the same by introducing three products in the last year, in addition to the breakthrough development of a new strain of probiotics for poultry.

Last year, our Company also undertook a detailed strategic review of its operations across procurement and sales and marketing functions. Zenex will target to accelerate sales in its livestock farm care division by focusing efforts on identified brands, ramping up the sales force behind the product basket and increasing marketing investments.

Zenex's market leadership, along with the strong financial profile is reflected in its operational profitability and a robust cash generation profile. This positions the Company well to pursue value-accretive inorganic opportunities. The Company has made significant progress on evaluating assets for acquisition in the identified areas of interest, which include complementary segments in the animal health market, such as pet care, herbal products and exports.

Our Company has a presence in over 30 countries through its exports division and has continued its impressive pace of regulatory filings to increase market presence and create more robust revenue, based on marketing authorisations. In addition, our company will focus on expanding its global market access by entering highly attractive and large markets in Middle East and LATAM in the near term.

I am full of optimism for the future, as Zenex scales new heights under the stewardship of Dr. Arun Atrey and the entire Zenex team. We remain committed to creating the largest Indian animal health franchise in India, by championing animal health and bringing a positive impact to the livelihoods of our customers.

REGARDS,

RENUKA RAMNATH
CHAIRPERSON

MD AND CEO'S LETTER

DEAR SHAREHOLDERS,

It is with a great pleasure and a sense of achievement that I present Zenex Animal Health's inaugural Annual Report for FY 2023. This significant milestone marks a new chapter in our Company's journey and I am honoured to share our progress and accomplishments during this period. As we reflect on this year, I am pleased to address all of you, taking this opportunity to extend my heartfelt gratitude for your support and to highlight the significant milestones and achievements that have shaped our journey in the animal health industry.

We have consistently optimised operations to create sustainable value for all stakeholders. The dedication and remarkable insight of every member of our diverse team has propelled our Company forward.

Zenex Animal Health has made a significant impact on the Indian and global animal healthcare industry, positioning us among the top companies in India. We have been creating sustainable values for all stakeholders for six decades, with our Company undergoing numerous transformational changes. Our success can be attributed to the strategic vision of expanding our sphere of influence and raising awareness regarding the health and productivity of animals among farmers in rural India. This is an important priority, one that motivates us to seize new opportunities in product development and innovation, resulting in the introduction of many first-to-market products that have significantly impacted the livelihood of millions. I can affirm that our Company stands as one of the select few to possess its own manufacturing plant. This competitive advantage ensures uncompromised quality at every stage of the process, bolstering our reputation within the industry.

NAVIGATING CHANGE WITH SUCCESS

According to the International Monetary Fund (IMF), there was a decline in global growth, decreasing from 3.4% in the year 2022 to 2.8% in the year 2023. However, in the case of India, the GDP witnessed an encouraging growth rate of 7.2% during FY 2023.

Despite all the volatilities, the Company showcased a robust growth backed by good performance in both livestock and poultry businesses.

Our livestock industry, on the other hand, faced a significant challenge with the outbreak and after effects of lumpy skin disease, which impacted the health and productivity of livestock during FY 2023. Amidst the outbreak, Zenex ensured uninterrupted supplies of products and services to help contain the disease.

I am happy to share that we also collaborated with the Asian Development Bank for a new project to be launched on One Health approach, to foster awareness on scientific animal husbandry practices and AMR containment. Our commitment to animal welfare and responsible practices remained steadfast. We have also diligently adhered to stringent ethical standards and regulatory practices, ensuring that every product and service we provide aligns with our values and contributes to the well-being of animals. This dedication to ethics has garnered immense trust and respect from our customers and partners alike.

Additionally, our manufacturing plant in Haridwar, has obtained regulatory approvals from Ethiopia, Kenya and Uganda. We are also honoured to be one of the few companies whose products have been certified for use in Saudi Arabia.

I am glad to share that Zenex received the 'Innovation Leadership Award at India Animal Health Summit 2022,' and the 'Pashudhan Samriddhi Award 2022' for being recognised as 'The Best Animal Health Company in India'.

INNOVATION IN THE MAKING

Zenex Animal Health, boasting a cutting-edge laboratory and the guidance of a team of seasoned and proficient experts, places paramount importance on innovating new products. I believe that the Company's focus is on excellence, sustainability and utmost customer satisfaction.

In the current year, we have successfully introduced three new products to the market. In collaboration with Zydus Research Centre, we have also introduced a new strain of probiotics which represents a significant breakthrough in the field of poultry healthcare. This innovative probiotic serves as a safer and more sustainable alternative to AGPs (Antibiotic Growth Promoter).

THE ROAD AHEAD

As we look towards the future, we remain firmly committed to our mission of promoting animal health and well-being. A core aspect of our mission revolves around creating value for diverse stakeholders. With this resolve, we actively contribute to the veterinary fraternity and farmers by providing effective health solutions and raising awareness on improving farm productivity. When it comes to our investors, our dedication extends beyond mere financial returns, as we endeavour to foster trust and responsibility within our corporate practices.

We consistently fortify our distribution networks, recognising the pivotal role they play in ensuring that our products reach every nook and corner of the country. Our investments in research and development will continue to drive innovation and we will explore new avenues for growth and diversification. We will also continue to invest in our employees' professional development and create a work environment that fosters diversity, equality and inclusivity. To realise our vision, we aim to remain focused on expanding our geographical reach to become a truly global player.

In conclusion, I express my sincere gratitude to all our stakeholders for their trust and support throughout FY 2023. I am confident that our collective efforts will drive us towards even greater success in the years to come.

Thank you once again for being an integral part of our journey. I look forward to your continued support and collaboration as we embark on an exciting future for Zenex Animal Health.

WISHING YOU ALL HEALTH, PROSPERITY AND HAPPINESS.

DR. ARUN ATREY

MANAGING DIRECTOR AND CEO

The One Health Initiative

PROMOTING HOLISTIC CARE WITH ONE HEALTH AND THE ASIAN DEVELOPMENT BANK

One Health is an integrated approach that aims to sustainably balance and optimise the health of people, animals and ecosystems.
It recognises that the health of humans, domestic and wild animals, plants and the wider environment (including ecosystems) are closely linked and interdependent.
The approach mobilises multiple sectors, disciplines and communities at various levels of society to work together in order to foster well-being.

AIM

Improving animal health practices of veterinarians and livestock farmers to contain Antimicrobial Resistance (AMR) and promote One Health by building capacity support for 2,000 livestock farmers (40% female) and 500 veterinarians (25% female).

OBJECTIVES

- Focus on proper antibiotic usage and effective alternatives.
- Promote biosecurity and farm hygiene standards for enhanced animal health and productivity.
- Elevate animal welfare practices with a holistic approach, exceeding current company extension services.
- Integrate gender sensitisation training to foster inclusivity and awareness.

PROJECT PARTNERS AND REGIONAL LEADS

The project encompasses Sri Lanka, Bangladesh, India (with a specific focus on Gujarat, AP/Telangana, Rajasthan and MP) and Nepal. To ensure effective local outreach, the initiative will collaborate with a consortium of institutional partners (Regional Leads) in each country and region, facilitating delivery in local languages and fostering regional engagement. Training to be imparted over 3 years across these countries through a systematic approach.

0 MONTHS	3 MONTHS	6 MONTHS	9 MONTHS	12 MONTHS
Physical Training	Farmer Network Meet by Regional Leads	Refresher Virtual Training	Farmer Network Meet by Regional Leads	Physical Training

TRAINING TOPICS

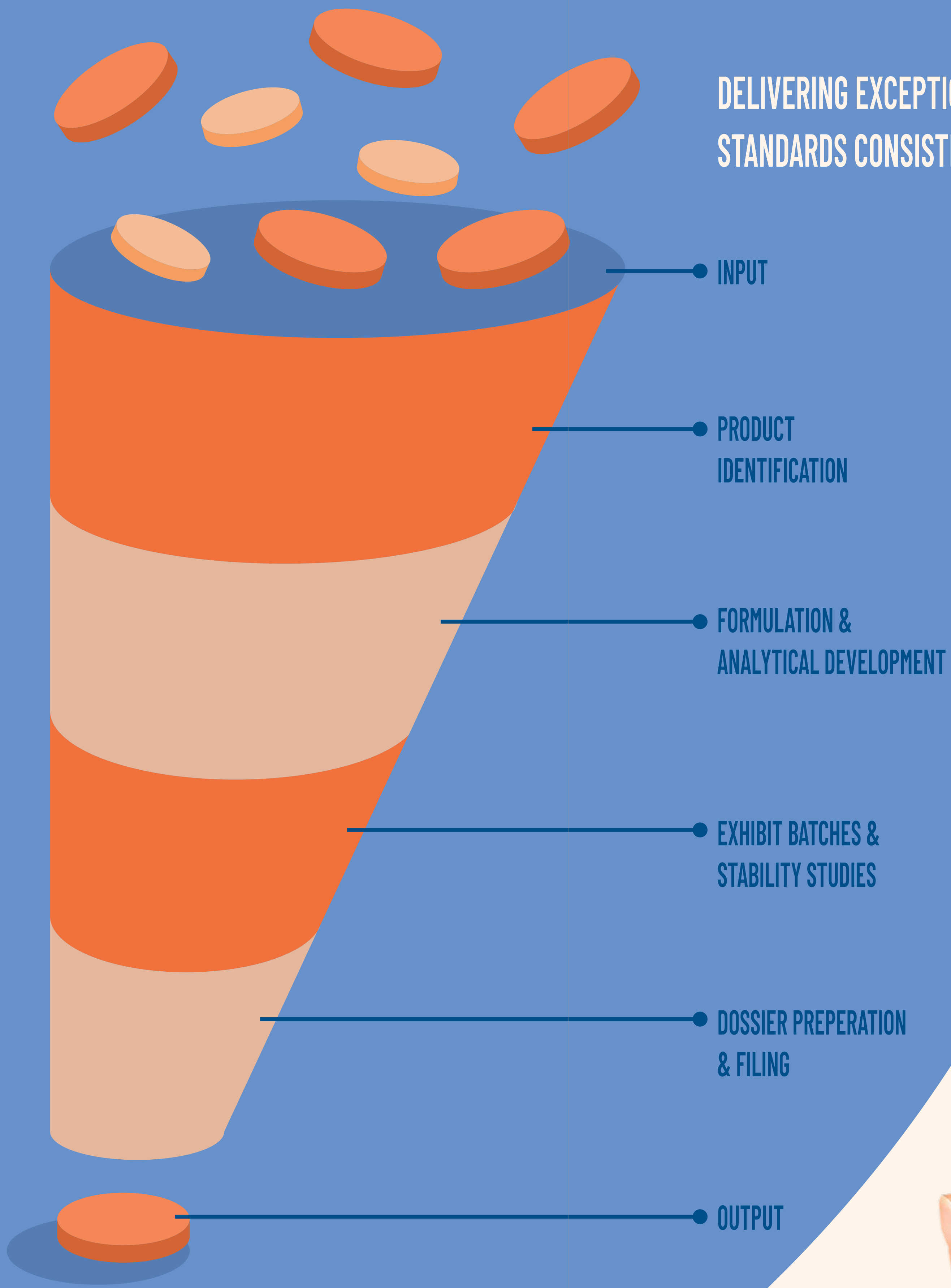
- Ensuring proper antibiotic use and exploring effective alternatives
- Defining diverse antibiotic applications within the farm context
- Providing gender sensitisation training
- Highlighting risks linked to incorrect antibiotic utilisation
- Elevating animal welfare standards and incorporating best practices
- Addressing risks associated with zoonoses and Antimicrobial Resistance (AMR)
- Implementing biosecurity and farm hygiene standards for enhanced animal well-being and productivity

R&D and Quality

PATH TO PROGRESS: NURTURING INNOVATION AND QUALITY

Zenex is dedicated to developing new products that not only meet market needs but also embody the Company's core values. The Company's focus on meeting the market needs has led to the highest number of first-to-market products in the industry. With a focus on research, market insights and a strong sense of responsibility, Zenex's growth moves towards quality healthcare for animals.

DELIVERING EXCEPTIONAL STANDARDS CONSISTENTLY

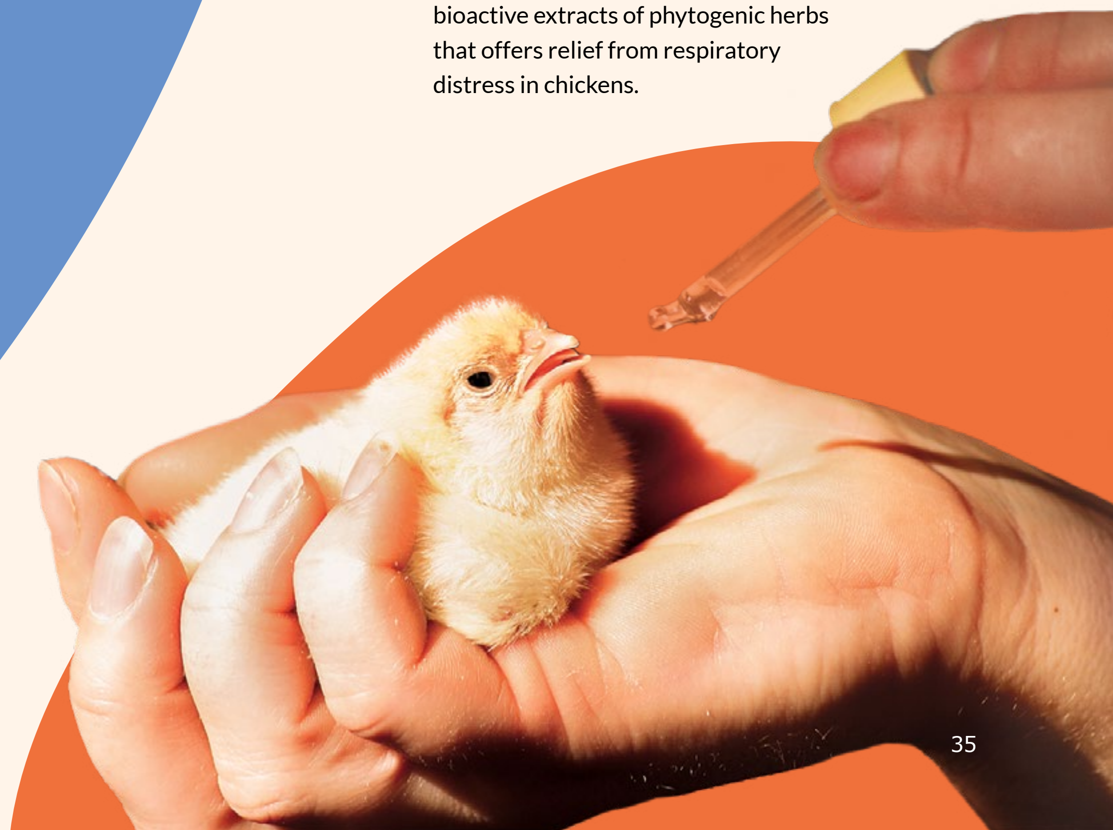


NEW PRODUCT LAUNCHES IN FY 2023:

Tilmotil injection
A semi-synthetic antibiotic of macrolide class containing tilmicosin 30%. Tilmotil is a single-shot injection having sustained action against infection caused by mycoplasma and susceptible bacteria in cattle and sheep.

Minjet Injection
Contains essential trace minerals required for optimum growth, fertility and production in small and large ruminants. Essential trace minerals like zinc, manganese, copper and selenium are available in chelated form to meet the requirements during critical periods.

RespiAid
A proprietary formulation of bioactive extracts of phytogenic herbs that offers relief from respiratory distress in chickens.



SETTING THE STANDARD: ZENEX'S ENDURING COMMITMENT TO QUALITY AND GLOBAL PRODUCT EXCELLENCE

At Zenex, a deep commitment to upholding excellence in quality standards and meeting global product requirements is valued. The Company's dedicated team continuously strives for improvement to ensure utmost customer satisfaction while adhering to various regulatory norms and quality standards.

GOOD MANUFACTURING PRACTICES

Zenex follows a robust Quality Management System rooted in Good Manufacturing Practices (GMP), to meet the highest standards in the manufacturing process for Animal Pharma. By adhering to national and international regulatory standards, Zenex instils confidence in its customers. The approach focuses on proactive problem prevention rather than mere rectification. Through a deep understanding and effective implementation of GMP and regulations enforced by the FDA, the Company maintains excellence and meets customer expectations.

QUALITY BY DESIGN (QBD)

Through systematic sampling, testing, validation, monitoring and auditing, Zenex ensures consistent adherence to predetermined specifications and maintains exceptional product quality throughout its shelf life. The organisation's Quality Assurance team plays a vital role in coordinating the development and maintenance of the quality system across all departments. Incorporating Quality by Design (QbD) principles into their quality assurance system, Zenex seamlessly integrates quality throughout operations, utilising statistical, analytical and risk-management methods in product design, development and manufacturing. This commitment to quality guarantees the consistent delivery of exceptional products to valued customers worldwide.

CERTIFICATIONS AND STANDARDS ADHERED

CURRENT GOOD MANUFACTURING PRACTICE (cGMP)

Certification from several international regulatory bodies

ISO 9001:2015

Certified

WHO GMP

World Health Organisation Good Manufacturing Practices

SFDA, SAUDI ARABIA

Saudi Food and Drugs Authority

VDFACA, ETHIOPIA

Veterinary Drug and Animal Feed Administration and Control Authority

VMD, KENYA

Veterinary Medicines Directorate

NDA, UGANDA

National Drug Authority

DDA, NEPAL

Department of Drug Administration

DRA, BHUTAN

Drug Regulatory Authority

Responsible Business Initiatives

GENERATING SUSTAINABLE VALUE FOR A BETTER ECOSYSTEM

At Zenex, the generation of sustainable value extends beyond the realm of business. The Company's profound understanding of the impact of its actions on the ecosystem drives a sense of responsibility, that permeates every aspect of its operations. With an unwavering focus on environmental stewardship, social accountability and robust corporate governance, the Company aims to cultivate an environment where responsible and sustainable value flourish, fostering a brighter and more prosperous future for all.

SAFEGUARDING JOURNEYS: DEFENSIVE DRIVING TRAINING FOR EMPLOYEES

In the face of a staggering increase in automobile population and limited road infrastructure, Zenex understands the pressing need to prioritise road safety. With a daily loss of life on Indian roads and alarming statistics on road mortality, the organisation is dedicated to making a difference. Taking proactive measures, Zenex has initiated thorough defensive and safe driving training programmes for its employees, especially those working in the field who regularly commute to customer locations.

To ensure effective training, the organisation selected five skilled trainers who underwent the 'Train the Trainer' programme. Partnering with Hubert Ebner (HE), renowned pioneers in road safety worldwide, the trainers received specialised training and certification to impart their knowledge and expertise to all Zenex employees. The training programmes focus not only on road safety measures but also encompass essential aspects of vehicle maintenance, promoting a holistic approach to safe driving practices.

Zenex's commitment to road safety extends beyond its own workforce, aiming to create a culture of responsible driving in society. By equipping its employees with the necessary skills and knowledge, Zenex endeavours to contribute to a safer and more secure commuting experience for all, paving the way for a road safety revolution.

SWACHH GANGA ABHIYAAN

Recognising the pollution challenges faced by the river Ganga, Zenex supported the objectives of the National Mission for Clean Ganga (NMCG), established under the provisions of the Environment Protection Act (EPA), 1986. The NMCG aims to reduce pollution and ensure the revival of the Ganga River by fostering intersectoral coordination, detailed planning and management and maintaining the minimum ecological flow in the river. These efforts are geared towards safeguarding water quality and promoting environmentally sustainable development.

In line with this commitment, Zenex's colleagues from the Haridwar plant actively participated in the Ganga Cleaning Abhiyaan near Govind Ghaat, Haridwar. By joining hands with other stakeholders in this noble endeavour, Zenex demonstrates its dedication to preserving the Ganga River's ecological integrity and contributing to the collective mission of a cleaner and healthier environment.

UPHOLDING STRONG CORPORATE GOVERNANCE PRACTICES

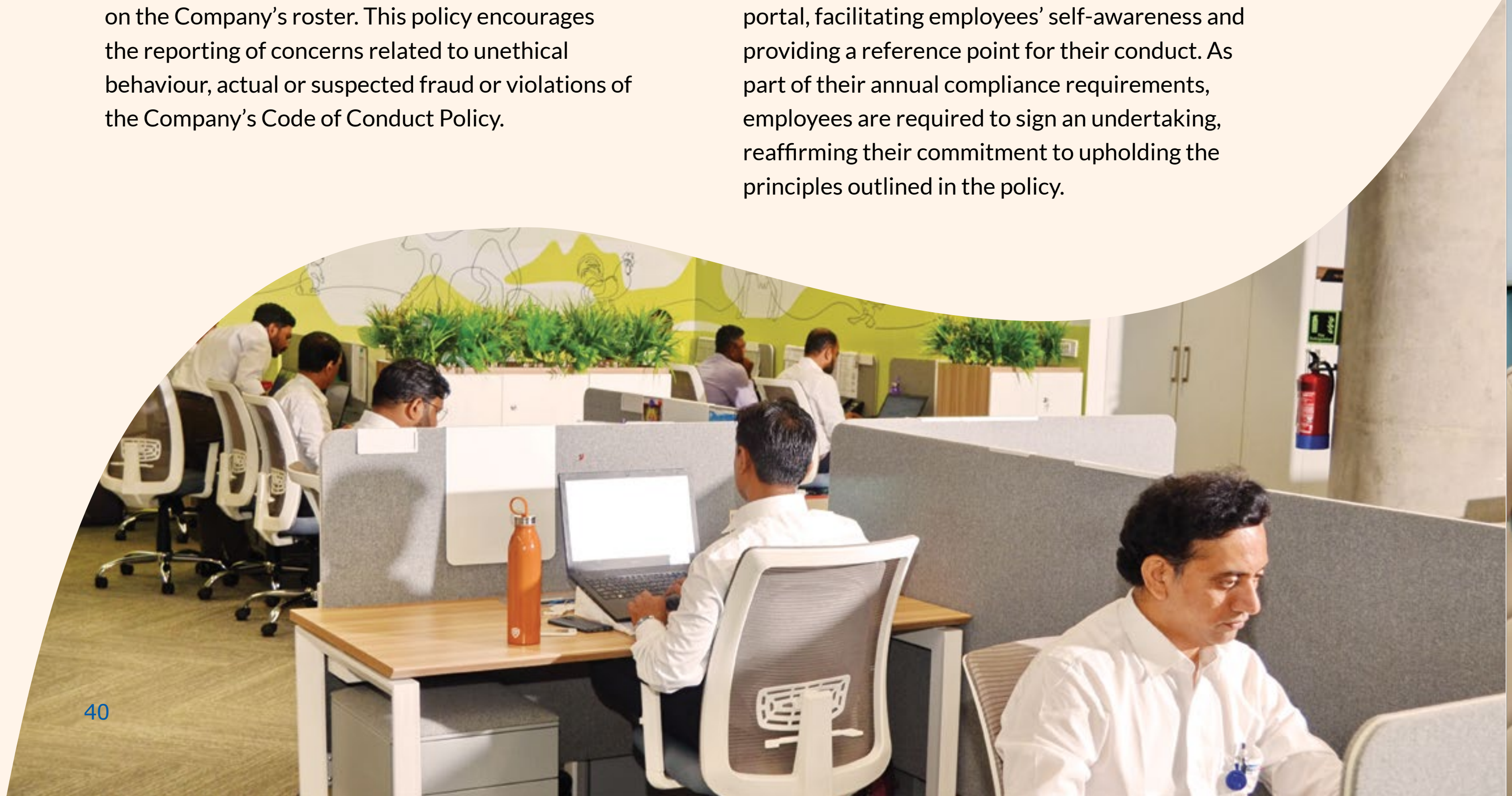
Corporate governance serves as the cornerstone of Zenex's operations. The Company prioritises ethical conduct, transparency and accountability in every aspect of its business. By fostering a culture of trust, the Company empowers its stakeholders and enables sustainable growth.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY:

This policy is applicable to everyone at the Company. This ensures strict adherence to the highest legal and ethical standards in all aspects of the Company's business operations. It expects all individuals representing the Company or acting on its behalf, including those providing services or goods, to uphold and comply with this commitment. To support the implementation of this policy, the Company has formulated a detailed Whistle Blower Policy, designed for employees and staff on the Company's roster. This policy encourages the reporting of concerns related to unethical behaviour, actual or suspected fraud or violations of the Company's Code of Conduct Policy.

EMPLOYEES CODE OF CONDUCT POLICY:

In alignment with the Company's values, all employees bear the responsibility of adhering to this policy, which sets out clear guidelines and expectations for their conduct. Notably, employees are encouraged to promptly report any prohibited or unlawful activities of which they become aware. It is vital for all employees to actively enforce and promote this policy, ensuring a culture of integrity and ethical behaviour within the organisation. The policy is readily accessible on the employee portal, facilitating employees' self-awareness and providing a reference point for their conduct. As part of their annual compliance requirements, employees are required to sign an undertaking, reaffirming their commitment to upholding the principles outlined in the policy.



BOARD COMMITTEES:

AUDIT COMMITTEE

Mr. Manish Guar
Nominee Director | Chairman

Mr. Andrew Yee
Nominee Director | Committee Member

Mr. Utpal Sheth
Nominee Director | Committee Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Manish Guar
Nominee Director | Chairman

Mr. Andrew Yee
Nominee Director | Committee Member

Mr. Utpal Sheth
Nominee Director | Committee Member

RISK MANAGEMENT COMMITTEE

Mr. Sushil Mehta
Independent Director | Chairman

Dr. Arun Atrey
Managing Director & CEO

ESG Initiatives

BRIDGING ANIMAL WELLNESS WITH ESG RESPONSIBILITY

In today's interconnected world, the concept of Environmental, Social and Governance (ESG) responsibility has emerged as a guiding principle for ethical and sustainable business practices. ESG encompasses a trio of critical factors that shape the foundation of responsible corporate conduct. Environmental considerations include the preservation of natural resources, reduction of ecological footprint and the mitigation of impact caused by climate change. Social aspects focus on promoting inclusivity, diversity, labour rights and community engagement. Lastly, the governance component emphasises transparent leadership, effective risk management and ethical decision-making. As Zenex endeavours to ensure the health and happiness of its stakeholders, it is essential to recognise the profound connection between value creation and broader ESG considerations.

The Environmental and Social Management System (ESMS) manual was successfully developed and many of the initiatives, as per the guidelines, are already being implemented this year. This milestone marked a significant step in conducting ESG activities in a systematic and organised manner, ensuring 100% awareness across the entire plant workforce.

ENVIRONMENTAL

As per the Biomedical Waste Management Rules of 2016, the plant secured approval from the Uttarakhand State Pollution Control Board for the safe collection and disposal of biomedical waste from the plant site under the Yellow category.

The disposal of plastic waste from the Haridwar site, in collaboration with the Company's Head Office has been registered with the Central Pollution Control Board, seeking authorisation to fulfil its Extended Producer Responsibility (EPR).

The Scope 2 GHG emissions for the Haridwar site have demonstrated a decrease from 863 metric tonnes of CO_2 in FY 2022 to 739.34 metric tonnes of CO_2 in FY 2023.

Through dedicated energy-saving efforts, the electricity demand load at the Haridwar plant has successfully been reduced from 1200 KVA to 1000 KVA.

On the occasion of World Environment Day, a campaign centred around the theme 'Beat the Plastic' was organised. This initiative involved the collection and proper disposal of plastic waste from homes to raise awareness about daily plastic waste generation. Additionally, a plantation campaign was launched to mitigate environmental pollution.

A cleaning campaign under the National Mission for Clean Ganga (NMCG) at Govind Ghat, Haridwar was organised.

SOCIAL

A medical doctor has been appointed to provide consultancy services at the Haridwar facility, for the well-being of employees.

To enhance safety measures when dealing with chemicals, eye showers have been installed at both the QC LAB and Warehouse areas.

With the participation of employees, a mock drill simulating an earthquake scenario was successfully conducted.

A comprehensive defensive driving awareness training has been organised across locations.

In celebration of International Women's Day, female employees were actively engaged to raise awareness about women's empowerment.

With the objective of raising awareness about safety and environmental considerations, the Haridwar site celebrated National Safety Week, focusing on the theme 'Our Aim: Zero Harm' .

The Haridwar site has achieved Zero Lost Time Accidents (LTA), a testament to its commitment to safety.

GOVERNANCE

The training of the Grievance Redressal Program (GRP) has been successfully imparted to employees at the Haridwar site.

Comprehensive (Prevention, Prohibition and Redressal) POSH training has been conducted to raise awareness about sexual harassment in the workplace.

Zenex maintains full compliance with labour laws, including the Wages Act and meets all government statutory requirements related to workers and other regulations.

Awards

RECOGNISING OUTSTANDING ACHIEVEMENTS

Zenex (formerly Zydus Animal Health) has been consistently recognised for excellence in various disciplines over the years. Following are some of the awards received in the last decade:

2014 The Best Poultry Health Care Company Award given by the Poultry Fortune Group.

2015 The Best Animal Health Company in India, Middle East & Africa award given by Animal Pharm (UK).

2016 The Best Animal Health Company in India, Middle East & Africa 2016 award given by Animal Pharm (UK) & the Best Animal Pharma Company Award by Indian Poultry Journalist Association.

2018 The Best Animal Health Company in India, Middle East & Africa 2018 award given by Animal Pharm (UK).

2020 Indian Dairy Awards 2020 - Awarded as the Fastest Growing Company by Agriculture Today group.

2021 Indian Dairy Awards 2021 - Awarded as the Best Animal Health Company by Agriculture Today group.

2022 Innovation Leadership Award at India Animal Health Summit 2022.

2022 Pashudhan Samriddhi Award 2022 - The Best Animal Health Company in India.

MANAGEMENT DISCUSSION & ANALYSIS

1. Global Economy

The global economy is on track for a gradual recovery amidst multiple economic volatilities. The growth prospects for advanced economies are anticipated to be modest throughout the year, while some of them may be at risk of entering a recession in the later part of the year. This can largely be attributed to inflationary pressures, adverse supply conditions, volatile labour markets and high energy prices.

Emerging markets in the Asia Pacific, Middle East and Africa regions are showing encouraging growth, although not at pre-pandemic levels. These markets significantly contribute to the advancement of the global economy, with the Asia Pacific region shining as a relatively positive area amidst the current global economic landscape. Q1 FY2023 witnessed the economic recovery of China, primarily due to the resumption of economic activity post-COVID. This has led to increased consumption and growth in the region, even in the face of lower demand from other parts of the world.

1.1 Outlook

The combination of high inflation and the resultant monetary policy tightening has acted as the main driver for short-term global economic dynamics. The impact of these factors is anticipated to reach its height by the end of the year and then progressively fade away. In the coming years, a slowdown in all the core growth drivers is anticipated to entail a decline in global output, making economies keep a keen eye on global trends.

2. Indian Economy

The Indian economy has witnessed accelerated growth, positioning itself as one of the world's fastest-growing major economies. Driven by the country's large domestic consumption base, the economy exhibited robust growth of 7.2% in FY 2023[1].

2.1 Outlook

India's economy has remained resilient to volatile global conditions. However, real GDP growth is expected to slow down from an estimated 7.2% in FY 2023 to 6.1% in FY 2024. Increased employment generation and rising consumer confidence point to relatively high consumption growth in FY 2024[2].

3. Global Animal Healthcare Industry

Animal healthcare encompasses more than just the absence of diseases - it also entails the proactive prevention of diseases and ensuring their overall well-being. Animal healthcare includes the use of medications, vaccines, feed additives and diagnostic tools to successfully address health issues in animals. The animal healthcare sector can be broadly divided into pharmaceuticals, feed supplements, veterinary services and diagnostics segments. A large portion of the industry caters to the needs of production animals, such as cattle, pigs, poultry, sheep, goat and companion animals - such as dogs, cats and horses. In 2022, the global animal health market reached a value of USD 58.66 billion and is projected to witness a CAGR of 8.8% from 2023 to 2030[3]. Macroeconomic headwinds such as inflation, foreign exchange rate fluctuation and geopolitical conflict affected market dynamics in 2022, dampening the growth for a short period through decreased sales, operational hurdles and supply chain disruptions. Despite the COVID-19 crisis, the market has resurged due to increased pet adoption, pet humanisation and concerns over zoonoses[4].

A significant rise in the number of households with companion animals accelerated the use of pharmaceuticals to improve the quality of life and increase the life spans of pets. Additionally, the production animal segment (animals that contribute to the food and dairy market) witnessed the highest revenue share given the increased focus on food safety standards and nutritional security advocated by global healthcare organisations. Global policymakers are focusing on achieving food security through enhanced large-scale food production and increased investment in livestock rearing. These strategies aim to improve productivity and veterinary healthcare for livestock and poultry, ultimately leading to long-term positive impacts.

With a 30% global share, the US leads the global animal health care industry as of 2022. Additionally, the region's advanced capabilities in therapeutic and investment in diagnostic R&D (research and development) make it an industry leader. The American animal health care market is witnessing significant growth driven by the rise in chronic illnesses, increasing pet ownership rates, growing meat consumption and the rise in the adoption of animal health insurance to cover veterinarian services.

3.1 Outlook

The market is anticipated to expand steadily between 2023 and 2028 at a CAGR of 8.8% and is projected to reach a value of about USD 112.36 billion by 2030. As animal-based food production increases, prices may become more affordable across the globe. The global market is being shaped by technological developments in animal healthcare, setting it up for unprecedented expansion in the coming years. As a result, efficient information management systems, mobile technology and vaccine banks have been developing consistently, expanding the growth prospects of animal healthcare in the future.

Moreover, with the advancement of vaccinations, the global veterinary vaccines market is poised for growth reaching a valuation of USD 22.1 billion by 2032, growing at a CAGR of 7.2%. This growth can be attributed to several factors, including an increase in livestock population, augmented government investments and initiatives to combat animal diseases and the expanding pet care markets globally.

Following the USA, Europe is projected to secure the second position in the market, with its growth being attributed to the rising consumption of animal-based food and robust animal health regulations. This has resulted in new opportunities in the European market.

Source:

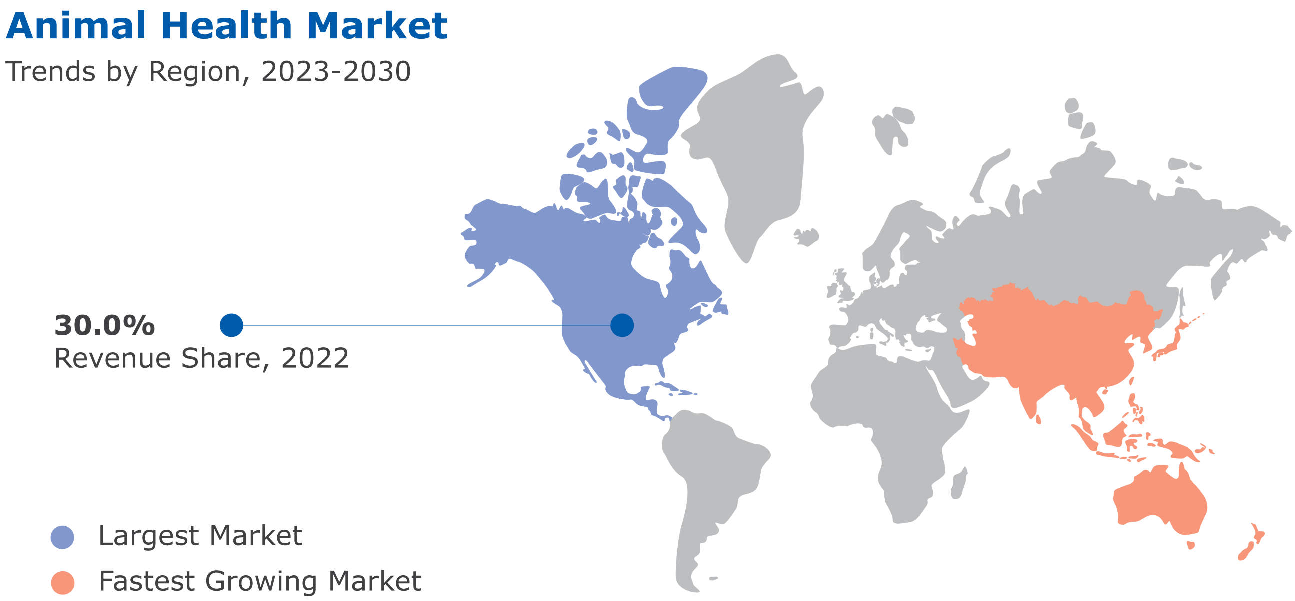
1 National Statistical Office

2 The World Bank

3 GVR AH Market

4 Grand View Research

In comparison, the Asia-Pacific region is anticipated to exhibit the highest growth rate of around 10% compared to other leading markets. Latin America and the Middle East & Africa are also expected to experience slightly higher growth due to the growing demand for advanced technologies in the field.



Source: https://www.grandviewresearch.com/industry-analysis/animal-health-market

4. Indian Animal Healthcare Industry

India stands out as one of the most rapidly expanding markets for animal healthcare due to its robust agricultural sector and food security priorities. The Indian market is projected to exhibit a growth rate of around 10 % CAGR. This rapid expansion was driven by an ever-increasing population, rapid urbanisation, increasing disposable incomes and evolving dietary preferences[1]. The Indian animal health market was valued at INR 78.2 billion in FY 2022[2]. The breakdown of species in the animal healthcare market is 52% livestock, 32% poultry, 10% companion animals, 5% aqua and a balance of 1% of all remaining animals. The Indian animal health market is fairly concentrated, with the top 10 companies controlling the market share.

The animal healthcare industry in India has experienced a fundamental shift in its business approach - moving from therapeutics to preventive healthcare and enhancing animal productivity. This approach focuses on a holistic strategy to ensure animal health and well-being that is making remarkable advancements, especially with the rise of milk and egg production, underscored by the White Revolution. The industry is increasingly establishing itself as a pivotal economic powerhouse on a national scale, playing a substantial role in generating employment opportunities. It effectively supports farmers by providing them with the necessary tools and services to improve the economic sustainability of their livelihoods, which are heavily dependent on the well-being of their livestock and poultry.

However, it is important to note that the prevalence of zoonotic diseases is on a significant rise. The demand for effective and affordable treatments could serve as a major driver for growth in India. For instance, the Government of India is increasing its investment in animal healthcare infrastructure, largely due to the reliance on dairy animals.

Furthermore, both governmental and non-governmental organisations (NGOs) are actively engaging in R&D endeavours related to animal health. The Indian Federation of Animal Health Companies (INFAH) plays a crucial role in raising awareness about disease control while advocating for effective treatments.

The industry is divided into three major segments:

a. Livestock

Agriculture is the bedrock of the Indian economy. The livelihoods of approximately 20.5 million people are dependent on livestock-based agriculture. The livestock industry accounts for 30.87% of total agriculture GDP, which has increased at a CAGR of 7.93% from FY 2015 to FY 2021[3]. According to 20th Livestock Census, the livestock population is 537 millions. In FY 2023, there was a 40% increase in the budget allocation for livestock and central sector schemes also witnessed a notable 48% increase[4].

Additionally, India is the world's largest producer of milk, contributing 21% to global milk production. During FY 2022, India produced 221 million tonnes of milk. Additionally, under

Source:

1 Pashudhan Praharee

2 INFAH report

3 Press Information Bureau

4 Union Budget 2022-2023

the flagship scheme of 'Rashtriya Gokul Mission', the Indian government is taking measures for the development and conservation of indigenous bovine breeds.

The current size of the livestock sector within Indian animal health industry stands at INR 4,100 crore* and is projected to experience a robust growth rate of 10-12% over the next five years.

b. Poultry

The poultry industry has been significantly impacted by the rise in input costs for poultry feed, primarily due to the substantial increase in the prices of maize and soymeal. This has directly affected the profit margins of poultry operations. Despite this, the demand for affordable and high-quality meat is increasing with higher per capita meat consumption and a growing preference for high-protein diets among the Indian population.

Additionally, a rise in per capita income and the growth of HoReCa (hotels, restaurants and cafes) establishments have further boosted meat consumption[1]. The government is encouraging local production to meet growing demand and to increase the export of meat. By virtue of being dynamic and well-organised, the poultry industry has been adopting modern technologies including automated feeding systems, temperature control systems and biosecurity measures to enhance productivity. This would also assist in boosting outputs, cutting production costs and raising quality standards.

The growth and expansion of the poultry market is increasing for farmers and animal producers alike, while also contributing to the nation's food security goals.

The current size of the poultry sector within the Indian animal health industry stands at INR 2,492 crore* and is projected to experience a robust growth rate of 8-10% over the next five years. India is the fifth largest producer of chicken in the world and the third-largest producer of eggs.

c. Companion Animals

The size of pet care industry is INR 750 crore for FY 2021-22, with a growth of 36.6% over FY 2021. According to Petkeen[2], India is experiencing an unparalleled rise in pet adoption, which can be attributed to expanding urbanisation, the number of nuclear families and rising disposable income. The pandemic has also accelerated the nation's inclinations toward pet adoption with more people working from home and increased discretionary income.

4.1 Government Initiatives

The dairy sector is intricately linked to the well-being and health of its animals, highlighting the critical dependence of the industry on animal welfare. To address this, both private and governmental are actively involved in conducting research and development (R&D) focused on animal healthcare. During FY 2023, the following initiatives were undertaken by the government:

- The National Animal Disease Control Programme (NADCP) is a government-sponsored plan to prevent Foot and Mouth Disease (FMD) and Brucellosis. It aims to eradicate FMD and brucellosis with a 100% vaccination rate by 2030.
- The Rashtriya Gokul Mission (RGM) aims to conserve and develop indigenous bovine breeds through artificial insemination to strengthen nationwide breeding networks.
- An Animal Husbandry Infrastructure Development Fund (AHIDF) was created under the Atma Nirbhar Bharat Abhiyan to incentivise investments in animal produce processing and value-added infrastructure.
- The Animal Health Support System for One Health is a central sector project that receives 50% funding from the central government under the Livestock Health and Disease Control Programme (LHDCP), with the remaining 50% funding provided by the World Bank. The project aims to enhance the infrastructure of laboratories and veterinary hospitals/dispensaries while also strengthening disease surveillance efforts.
- The National Program for Dairy Development (NPDD) scheme aims to enhance the quality of milk and milk products, to increase the share of organised milk procurement.
- Livestock insurance is a government-sponsored programme that aims to protect high-yielding cattle and buffaloes at their present price limit. Supported by the subsidised scheme, the premium is reduced to 50%.
- A number of veterinary hospitals and dispensaries are being upgraded. Additionally, mobile veterinary units have been established for increased accessibility of veterinary services to farmers.

The government's active involvement in animal healthcare would significantly influence the growth of the animal health industry.

4.2 Risk Management

Risk management is a structured, consistent and continuous process across the organisation for identifying, assessing, deciding on responses to and reporting on opportunities and threats that may affect the achievement of its objectives. While risk management may not eliminate the risks, but constant efforts are being made to analyse their potential impact, assess the changes to the risk environment and define actions to mitigate their adverse impact.

Zenex Animal Health has implemented a risk management framework that ensures timely identification, analysis and assessment of risks and potential consequences, formulation of specific mitigation strategies and their seamless execution. The framework recognises that risks are highly interconnected and interdependent. This evolved approach views risks within a coordinated and strategic framework, integrated throughout the organisation.

The Risk Management Committee, which is chaired by the Independent Director and comprises of CEO and Managing Director, Chief Financial Officer and functional heads, monitors organisation-wide risk management activities and reports annually to the Board of Directors.

Source:

1 The Industry Outlook

2 Petkeen

* INFAH AR FY2021-22

4.3 Outlook

The market in India is expected to grow at a CAGR of around 10% during 2022-2028. Product innovations in the market are on the rise as there is a greater emphasis on including probiotics and proteins in animal feed additives, leading to improved health and nutrition for animals. Additionally, increased collaboration between animal healthcare organisations and research institutions as well as the positive impact of government initiatives is expected to propel the industry in the future.

Growing livestock populations, government investments and expanding animal care markets will drive overall industry growth in the coming years. Also, the expenditure on research and development, to create fresh and cutting-edge animal healthcare products and services, is anticipated to increase.

5. Operational Overview

Zenex, equipped with its state-of-the-art laboratory and led by a team of experienced and qualified professionals, prioritises the creation of novel products. Zenex strives to develop solutions that not only address market requirements but also reflect its commitment to excellence, sustainability and customer satisfaction. This year, the Company launched four new products.

a. Novel Probiotic Discovery of Bacillus Siamensis ZMT02: This product is a novel probiotic that contains a strain called Bacillus Siamensis ZMT02. Probiotics are beneficial bacteria that can improve the gut health and overall well-being of animals. Bacillus Siamensis ZMT02 is a newly discovered strain known for its unique properties and potential benefits in supporting digestive health and immune function in animals. The Company has conducted extensive research and testing to ensure the efficacy and safety of this probiotic.

b. Tilmotil Injection: It is a semi-synthetic antibiotic of the macrolide class containing Tilmicosin 30%. Tilmotil is a single-shot injection that has sustained action against infection caused by Mycoplasma and susceptible bacteria in cattle & sheep.

c. Minjet Injection: It is formulated with vital trace minerals necessary for optimal growth, fertility and production in both small and large ruminants. It contains chelated forms of essential trace minerals such as zinc, manganese, copper and selenium, which are provided to fulfil the requirements during crucial periods.

d. RespiAid: It is a specially developed blend of bioactive extracts derived from phytogenic herbs. This unique formulation is designed to alleviate respiratory distress in chickens, providing relief and support for respiratory health.

6. Financial Overview

The Company acquired part business of Zydus Group’s Animal Health business in a slump sale in July 2021, reflecting 8.5 months of operations in FY 2022. In FY 2023, sales surged to INR 7,473 million from INR 4,975 million in FY 2022.

The LBU segment contributed INR 4,625 million, constituting ~62% of FY 2023 total revenues. The PBU segment added INR 2,660 million, forming ~35% of total revenues. Notably, domestic sales encompassed 98% of FY 2023’s revenue.

EBITDA increased by 35 basis points, rising from 23.45% in FY 2022 to 23.79% in FY 2023 of sales. The Company reported a net profit of INR 193 million in FY 2023, rebounding from an INR 285 million loss in FY 2022.

BOARD'S REPORT

To,
The Members of
Zenex Animal Health India Private Limited

The Directors have pleasure in presenting the second Annual Report of Zenex Animal Health India Private Limited ("the Company") for the Financial year ended on March 31, 2023.

1. State of Company's affairs/ Operations

The Company is in the business of manufacturing and marketing of various kinds of drugs and pharmaceuticals and feed supplements for animal health.

The Domestic Business registered 13% growth which is amongst the best in the industry. Poultry Business Unit (PBU) was a consistent performer, achieved 100% with the growth of 14%. Livestock Business Unit (LBU) performed 93% with a growth of 12%. The business suffered majorly in Quarter 4 due to the post Lumpy Skin Disease outbreak impacting the entire Livestock Industry. The Export business after continuous 3 years of robust growth, degrew by 12% due to the economic downturn and forex challenges in some of its key markets.

Despite continued negative impact on the Livestock Industry, LBU has an ambitious business plan to grow by 26%. Key strategies would be aggressive focus on farmcare business, improving brand promotion, field restructuring & strengthening technical services. Poultry business has targeted to achieve 300 Crore mark with 13% Growth. Focus would be on continued technical services to the customers. Export has an aggressive sales plan to target in FY 2023-24. Major growth drivers would be the Africa region & Saudi Arabia.

There has been no change in the nature of business of the Company during the year under review.

2. Financial Results

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022*
Income from Operations and other income	7537.94	4992.47
Profit before Depreciation and Finance cost	1782.32	1167.85
Finance Costs	332.55	269.09
Depreciation	1189.22	846.31
Profit before exceptional and extraordinary items and tax	**260.55**	**52.45**
Exceptional / Extraordinary Items	-	390.38
Profit before tax	**260.55**	**(337.93)**
Current year tax	-	105.33
Tax of earlier year	2.89	-
Deferred Tax	64.60	(157.76)
Net Profit for the year	**193.06**	**(285.50)**

*The company commenced its operations from July 15, 2021 during the Financial year 2021-22.

During the year under review, the income from operations and other income was INR 7537.94 million (Rupees Seven Thousand Five Hundred and Thirty Seven point nine four million) as compared to INR 4992.47 million(Rupees Four Thousand Nine Hundred and Ninety Two point four seven million) for the Financial year ended 2021-22 (eight and a half month), showing growth of 50.99 %. The profit before tax for the Financial year ended March 31, 2023 was INR 260.55 million (Rupees Two Hundred and Sixty point five five million) as compared to the loss before tax for the Financial year ended March 31, 2022, which was INR 337.93 million (Rupees Three Hundred Thirty Seven point nine three million).

Net profit for the year under review was INR 193.06 million (Rupees One Hundred Ninety Three point zero six million) as compared to the loss of the Financial year ended March 31, 2022 which was INR 285.50 million (Two Hundred and Eighty Five point five zero million). There was significant increase of 167.62% in Net profit of the Company for the year under review as compared to the last Financial year ended March 31, 2022.

3. Details of subsidiaries, joint ventures and associate companies

The Company does not have any subsidiary, joint venture or associate company.

4. Dividend

During the Financial Year under review, the Board has not recommended any Dividend.

5. Transfer to Reserves

The Company does not propose to transfer any amount to the general reserve and the amount available for appropriation is proposed to be retained in surplus in statement of profit and loss.

6. Deposits

The Company has not accepted any deposits under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 during the year ended March 31, 2023.

7. Conservation of Energy, Research and Development, Technology Absorption and foreign exchange earnings & outgoing

Particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014:

A. Conservation of energy:

i. the steps taken or impact on conservation of energy –

The consumption of electricity energy data for the Financial year 2021-2022 was analyzed and it was found that the electricity demand for the plant was less than 1000 KVA against sanctioned load of 1200 KVA.

The plant was keen for energy conservation and henceforth, we initiated to save approx. 200 KVA electricity load per month which was not required for current production volume and therefore, applied to Uttarakhand Power corporation limited (UPCL) for reduction of load.

UPCL granted for reducing the load from 1200 KVA to 1000 KVA in the month of June, 2022.

ii. the steps taken by the company for utilising alternate sources of energy – No steps has been taken

iii. the capital investment on energy conservation equipments – NIL

B. Technology absorption:

i. the efforts made towards technology absorption–

To capture the business opportunities in global market, there is strong need for new product development for customers.

During the Financial year 2022-23, following new Products were developed and exhibit batches have been taken at Haridwar Plant facility:

- Zymet powder - 125 mg & 1 gm pack
- Albonil - 2500 bolus
- Batrynil - 2.36 gm & 23.6 gm
- Batrynil plus - 2.36 gm & 23.6 gm
- Enrodac suspension 10%
- Suprazole Suspension 10%
- Alfanil Plus Tablet
- Distodin plus - 3400 bolus
- Distodin plus - 900 bolus
- Zyoxy 20% powder
- Knock -WSP powder
- Flunixin Meglumine Injection
- Biotrim oral suspension

ii. the benefits derived like product improvement, cost reduction, product development or import substitution –

- Haridwar Plant has always focused on continuous improvement in its manufacturing process in terms of product improvement and cost reduction aspects. To emphasis on process improvement, the team reviewed existing products' process and identified that Sulpha bolus manufacturing process time could be reduced and batch size could be increased.

Team analyzed batch manufacturing record, process manufacturing steps and identified that for some of the steps, time could be reduced. Then, three process validation batches were taken to establish the revised manufacturing process.

Through this process, manufacturing time was reduced from 11:30 hrs. to 09:30 hrs and batch size was increased for the said product.

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the Financial year)-

(a) the details of technology imported; None

(b) the year of import; NA

(c) whether the technology been fully absorbed; NA

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; NA and

iv. the expenditure incurred on Research and Development – Nil

C. Foreign exchange earnings and Outgo:

i. Foreign Exchange earnings : INR 193.54 million

ii. Foreign Exchange spent : INR 1163.03 million

8. Particulars of Employees

The provisions of Section 197(12) of the Companies Act, 2013 read with Sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

9. Changes in the composition of the Board and Key Managerial Personnel

The following changes occurred in the composition of Board of Directors and Key Managerial Personnel (KMP) during the Financial Year ended March 31, 2023:

i. Appointment of Mr. Andrew Rowan Ian Yee (DIN: 09606258), as an Additional Director on the Board of the Company with effect from May 30, 2022 pursuant to the provisions of the Companies Act, 2013 and Amended and Restated Shareholders Agreement dated January 13, 2022;

ii. Appointment of Mr. Andrew Rowan Ian Yee (DIN: 09606258), as a Nominee Director on the Board of the Company with effect from July 05, 2022 pursuant to the provisions of the Companies Act, 2013 and Amended and Restated Shareholders Agreement dated January 13, 2022,

iii. Appointment of Mr. Sushil Mehta (DIN: 01010831) as an Additional Director on the Board of the Company with effect from September 02, 2022 pursuant to the provisions of Companies Act, 2013 and Amended and Restated Shareholders Agreement dated January 13, 2022.

iv. Appointment of Mr. Sushil Mehta (DIN: 01010831) as an Independent Director on the Board of the Company with effect from October 10, 2022 pursuant to the provisions of the Companies Act, 2013 and Amended and Restated Shareholders Agreement dated January 13, 2022.

As on March 31, 2023, the constitution of the Board and KMP was as under:

Sr. no.	Name of the Director/KMP	Designation
1.	Dr. Arun Atrey	Managing Director & CEO
2.	Ms. Renuka Ramnath	Nominee Director
3.	Mr. Manish Gaur	Nominee Director
4.	Mr. Utpal Sheth	Nominee Director
5.	Mr. Andrew Yee	Nominee Director
6.	Mr. Sushil Mehta	Independent Director
7.	Ms. Swati	Company Secretary and Compliance Officer

Further, based on the confirmations received, none of the Directors of the Company are disqualified for the office of director under Section 164 of the Companies Act, 2013.

10. Number of Board Meetings and Committee Meetings

During the Financial Year ended March 31, 2023, 5 (Five) Board Meetings were held. The Company held a minimum of one board meeting in every quarter with a gap not exceeding 120 days between two board meetings.

All the Board Meetings are conducted as per designed and structured agenda to enable the board to take informed decisions. Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance.

The details of the Board Meetings held during the Financial Year under review and attendance of the Directors is given below:

Board Meetings held during the Financial Year ended March 31, 2023:

Sr. No.	Dates on which the Board Meetings were held	Total Strength of the Board	No of Directors Present
1.	May 11, 2022	4	4
2.	July 22, 2022	5	4
3.	September 02, 2022	5	4
4.	November 10, 2022	6	6
5.	February 24, 2023	6	5

Apart from Board members, Chief Financial Officer and Company Secretary attended the Board Meetings.

During the Financial Year ended March 31, 2023, 2 (Two) Nomination and Remuneration Committee Meeting were held.

Nomination and Remuneration Committee Meeting held during the Financial Year ended March 31, 2023:

Sr. No.	Dates on which the Nomination and Remuneration Committee Meetings were held	Total Strength of the Nomination and Remuneration Committee	No of Committee Members Present
1.	May 10, 2022	3	2
2.	September 02, 2022	3	3

Apart from Committee members, Company Secretary and Head- HR and Administration attended the Nomination and Remuneration Committee Meetings

Audit Committee Meeting held during the Financial Year ended March 31, 2023:

Sr. No.	Dates on which the Audit Committee Meetings were held	Total Strength of the Audit Committee	No of Committee Members Present
1.	November 10, 2022	3	3
2.	February 24, 2023	3	2

Apart from Committee members, Company Secretary and Auditors and/or their representatives attended the Audit Committee Meetings.

Risk Management Committee Meeting held during the Financial Year ended March 31, 2023

Sr. No.	Dates on which the Risk Management Committee Meetings were held	Total Strength of the Risk Management Committee	No of Committee Members Present
1.	December 05, 2022	11	11

Apart from Committee members, Company Secretary and other Functional Heads attended the Meeting.

11. Share Capital

During the financial year under review, the Company issued and allotted 454,545 (Four hundred fifty four thousand and five hundred forty five) Equity Shares of Face Value of INR 10 (Rupees Ten only) each for cash at Fair Market Value of INR 11 (Rupees Eleven only) amounting to INR 4,999,995 (Rupees Four Million Nine Hundred ninety nine thousand and nine hundred Ninety Five only) on private placement basis.

As on March 31, 2023, the Authorised Share Capital of the Company stood at Rs. 30,000,000,000 (Rupees Thirty billion only) divided into 3,000,000,000 (Three billion) equity shares of INR 10 (Rupees Ten only) each and Paid-up Share Capital stood at 2,506,454,545 (Two billion Five hundred six million four hundred fifty four thousand Five Hundred and Forty Five) equity shares of INR 10 each aggregating to INR 25,064,545,450 (Rupees twenty five billion sixty four million five hundred forty five thousand and Four Hundred and Fifty only).

12. Change of name of the Company

During the Financial Year under review, there was no change in the name of the Company.

13. Shifting of Registered Office of the Company

During the Financial Year under review and based on the approval granted by the Board of Directors at their Meeting held on February 24, 2023, the registered office of the Company was shifted from '9th Floor, N G Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380015' to '9th Floor, Puniska House, Next to One42, Opp. Jayantilal Park BRTS, Ambli – Bopal Road, Ahmedabad 380054' within the local limits of the city with effect from February 25, 2023.

14. Related party transactions

Related party transactions that were entered into during the Financial year ended March 31, 2023 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

Also, there are no materially significant related party transactions during the year under review which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. However, the disclosure of transactions with related party for the year, as per Accounting Standard-24 are disclosed in the Financial Statements.

15. Material changes and Commitments

There have been no material changes and commitments, affecting the financial position of the Company for the Financial Year ended March 31, 2023 till the date of this report.

16. Particulars of investments, loans and guarantees under Section 186

No Investment, loans and guarantee under Section 186 of the Companies Act, 2013 has been made by the Company for the Financial Year ended March 31, 2023.

17. Internal Control Systems and their Adequacy

Based on the framework of the Internal Control and Compliance Systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews made by them and the relevant Board Committees including Audit Committee, the Board is of the opinion that the Company's internal Control system were adequate and operationally effective during the Financial year 2022-23.

Internal Audit plays a key role by providing assurance to the Board of Directors and value addition to the business operations.

18. Transfer of Amounts to Investor Education and Protection Fund

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023.

19. Auditors

In terms of the provisions of section 139 of the Companies Act, 2013, M/s. KKC & Associates, LLP, Chartered Accountants, (Firm Registration No. 105146W/W100621), were appointed as the statutory auditors of Company at the Annual General Meeting of members held on July 05, 2022 for a term of 5 years from the conclusion of first Annual General Meeting of the Company till the conclusion of the sixth Annual General Meeting of the Company to be held for the Financial year ending March 31, 2027 at such remuneration as may be agreed between the Board and the said Auditors.

M/s. KKC & Associates, LLP, Chartered Accountants, have furnished a certificate of their eligibility under section 141 of the Companies Act, 2013 and their rules framed thereunder for the Financial year 2023-24.

The Auditor's Report to the shareholders for the year under review does not contain any qualification.

Further, no fraud has been reported by the auditors in terms of Section 143(12) of the Companies Act, 2013 during the year under review.

20. Secretarial Auditors and Secretarial Audit Report:

Pursuant to provisions of section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board had appointed Pradeep Purwar & Associates, Practicing Company Secretaries, to undertake Secretarial Audit of the Company for the Financial Year ended on March 31, 2023. The Secretarial Audit Report is attached herewith as Annexure-"A". The Board had reviewed the Secretarial Auditor's Report and there were no observations /adverse remarks in the Report.

21. Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, your Directors state:

(i) that in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards have been followed;

(ii) that appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial year and of the profit of the Company for that year;

(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) that the annual accounts have been prepared on a 'going concern' basis.

(v) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

22. Business Risk Management

The Company believes that systematic risk management ensures effective navigation to achieve business objectives and enable sustainable growth in a volatile and complex environment. The Company's risk management framework has been designed to identify, monitor and minimise the adverse impact of strategic, operational, financial and compliance risks faced by it. The Company's risk management framework ensures a consistent, collaborative, and comprehensive approach to identify, prioritize, respond and monitor various kinds of risks and to suggest actions to mitigate those risks.

The Company recognizes that there are several risks associated with the business and operations of the Company and its related entities. The Company follows Risk Management Policy which sets forth the risk management framework and policies covering the market, credit, liquidity, operational, currency, reputational and legal risks associated with the business. The Company considers and understands that its ability to identify

and address all risks is utmost important to achieve the goals of the Company.

The Company identifies the risks impacting the Company's business and document the process of risk identification, risk minimization and risk optimization as a part of risk management strategy.

23. Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013) and Rules made therein. The Company has constituted an Internal Complaints Committee as required under the said Act.

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment.

During the Financial year ended 2022-23, the Company has not received any complaints relating to sexual harassment at workplace from any woman employee, during the year.

24. Details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status and Company's operations in future

During the financial Year under review, there have not been any significant and material orders passed by the Regulators/Courts/Tribunals which will impact the going concern status and operations of the Company in future.

25. Adequacy of Internal Financial Controls related to financial statements

The Company has in place adequate Internal Financial Controls related to Financial Statements. The Company's Internal Financial Controls are commensurate with the size, nature and operations of the Company.

26. Maintenance of cost records

The provisions of sub-section (1) of section 148 are applicable to the company, and, accordingly, cost accounts and records are maintained by the company.

27. Annual Return

The annual return as on March 31, 2023, prepared in accordance with Section 92(3) of the Act is hosted on the website of the company at https://zenexah.com/annual-return/

28. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

During the year under review, neither any application has been made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

29. Secretarial Standards

The Company has generally complied with Secretarial standards i.e., SS-1 and SS-2 relating to "Meetings of the Board of Directors" and "General Meetings", respectively, specified by the Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013.

30. Acknowledgement

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge the excellent support received from all stakeholders of the Company during the year.

The Directors are happy to place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors

Signature

	Name	**Dr. Arun Atrey**	**Manish Gaur**
	Designation	MD & CEO	Director
Date: May 25, 2023	DIN	00032249	00340911
	Place	Ahmedabad	Mumbai

Form No. MR-3 **Annexure A**

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

UDIN: F005769E000377681

To,

The Members,

Zenex Animal Health India Private Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India; and

Further, being a Pharmaceutical Company (Animal Healthcare), following are some of the Acts / Orders applicable to the Company, for which examination of the relevant documents and records, on test check basis, have been carried out under:

1. Drugs and Cosmetics Act, 1940, schedules and the rules made thereunder as amended from time to time.
2. Boilers Act, 1923 and Boiler Attendants' Rules, 2011 as amended from time to time.
3. Consolidated Consent to Operate and Authorisation - Consent order No. UKPCB/HO/Con/C- 113/2020/294 dated 03/07/2020.

Provisions of the following Act, Regulations and Guidelines were not attracted to the Company for the financial year under review: -

(i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.

(ii) The following Regulations and Guidelines prescribed under the Securities and Exchange **Board of India Act, 1992 ('SEBI Act').**

(iii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(iv) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(v) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(vi) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

(vii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(viii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

(ix) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. and

(x) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the Audit Period, the company had allotted 4,54,545 Equity Shares on Private Placement basis.

For **Pradeep Purwar & Associates**
Company Secretaries
[Unique Identification No.:
S2003MH071600]
[PR: 599/2019]

Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918

Place: Thane
Date: May 25, 2023

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Zenex Animal Health India Private Limited
(Formerly known as "Nutrizvit Animal Health India Private Limited")

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of Zenex Animal Health India Private Limited (Formerly known as "Nutrizvit Animal Health India Private Limited") ('the Company'), which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Other Information

4. The Company's 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 Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

5. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

6. 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. 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 Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ('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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Financial Statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    11.1. Identify and assess the risks of material misstatement of the 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.

    11.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) 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.

    11.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

    11.4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

    11.5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, we report that:

    16.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    16.2. 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.

    16.3. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.

    16.4. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    16.5. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    16.6. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

    16.7. The Company being a private company, provisions of section 197 of the Act is not applicable.

17. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    17.1. The Company does not have any pending litigations which would impact its financial position.

    17.2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    17.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

17.4. The Management has represented, to best of their knowledge and belief, that 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 person(s) or entity(ies), including foreign entities (‘Intermediaries’), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

17.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (‘Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

17.6. Based on such audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 17.4 and 17.5 contain any material misstatement.

17.7. In our opinion and according to the information and explanations given to us, no dividend was declared and / or paid during the year and accordingly reporting on the compliance with of Section 123 of the Act will not be applicable for the Company.

17.8. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), provides for the feature of recording of audit trail (edit log) facility in the accounting software used by the Group and its associate for maintenance of books of account, which is applicable to the Group and its associate from financial year beginning 1 April 2023. The reporting under clause (g) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 would be done from financial year 2023-2024 onwards.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Kamlesh R Jagetia
Partner
ICAI Membership No: 139585
UDIN: 23139585BGXMDX1226

Place: Mumbai
Date: 26 May 2023

Annexure 'A' to the Independent Auditor's Report on the Financial Statements of Zenex Animal Health India Private Limited (Formerly known as "Nutrizvit Animal Health India Private Limited") for the year ended 31 March 2023

(Referred to in paragraph 15 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').

The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) In our opinion and according to the information and explanations given to us, the physical verification of inventories has been conducted at reasonable intervals by the Management and, the coverage and procedure of such verification by the Management is appropriate. In respect of goods-in-transit, subsequent goods receipts have been verified.

(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. (a) The Company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year except for loans to employees, details of which are mentioned in following table:

(INR million)

Particulars	Loans to others
Aggregate amount granted/ provided during the year	2
Balance outstanding as at balance sheet date	4.31

(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.

(c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular during the year.

(d) In our opinion and according to the information and explanations given to us and based on our audit procedure performed, in respect of loans granted, there are no overdue amount remaining outstanding as at balance sheet day.

(e) In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any fresh loans have been granted to settle the overdue of existing loans.

(f) The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act which are either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act with respect to the loans given, investments made, guarantees given and security provided.

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 from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company as specified under section 148(1) of the Act, for the maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/ accrued in the books of account in respect of 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 any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, We confirm that there are no dues 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 any other statutory dues, which have not been deposited to/with the appropriate authority on account of any dispute.

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders 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 audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

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

(e) The Company does not have any subsidiary or associate or joint venture. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the company.

(f) The Company does not have any subsidiary or associate or joint venture. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the company.

x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 42 and 62 of the Act in connection with the funds raised through private placement of shares and the same have been utilised for the purposes for which they were raised.

xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, we have taken into consideration the whistle blower complaint received by the Company during the year and shared with us for reporting under this clause.

xii. (a) 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 to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any transactions with the related parties as per Sections 177 and 188 of the Act. Accordingly, paragraph 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company, and hence provisions of section 192 of the Act, 2013 is not applicable to the Company.

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

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

(c) In our opinion, The Company is not a CIC as defined in the regulations made by Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) In our Opinion, the group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

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

xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 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. (a) In our opinion, provision of section 135, Corporate Social Responsibility are not applicable to the company, accordingly, paragraph 3(xx) of the Order is not applicable to the Company.

(b) In our opinion, provision of section 135, Corporate Social Responsibility are not applicable to the company, accordingly, paragraph 3(xx) of the Order is not applicable to the Company.

xxi. The Company does not have any subsidiary or associate or joint venture. Accordingly, paragraph 3(xxi) of the Order is not applicable to the Company.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Kamlesh R Jagetia
Partner
ICAI Membership No: 139585
UDIN: 23139585BGXMDX1226

Place: Mumbai
Date: 26 May 2023

Annexure 'B' to the Independent Auditors' report on the Financial Statements of Zenex Animal Health India Private Limited (Formerly known as "Nutrizvit Animal Health India Private Limited") for the year ended 31 March 2023

(Referred to in paragraph '16.6' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

Opinion

1. We have audited the internal financial controls with reference to the Financial Statements of Zenex Animal Health India Private Limited (Formerly known as "Nutrizvit Animal Health India Private Limited") ('the Company') as at 31 March 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal controls 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 ('the Guidance Note').

Management's responsibility for Internal Financial Controls

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, 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 Financial Statements, whether due to fraud or error.

6. 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 with reference to the Financial Statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

7. A company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Financial Statements include those policies and procedures that (1)

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

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

8. Because of the inherent limitations of internal financial controls with reference to the Financial Statements, 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 with reference to the Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Kamlesh R Jagetia
Partner
ICAI Membership No: 139585
UDIN: 23139585BGXMDX1226

Place: Mumbai
Date: 26 May 2023

BALANCE SHEET

As at March 31, 2023

(INR million)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS:			
Non Current Assets			
Property, Plant and Eqipment	3[A]	191.16	143.59
Capital work-in-progress	4[A]	1.26	1.26
Right of Use Assets	5	135.13	70.64
Goodwill	3[B]	6,932.32	6,932.32
Other Intangible Assets	3[B]	19,611.42	20,775.57
Intangible Assets Under Development	4[B]	14.29	-
Financial Asset:			
Other Financial Assets	6	19.66	16.75
Other Non Current Assets	7	30.08	37.37
Assets for Current Tax [Net]	33	3.22	23.43
		26,938.54	**28,000.93**
Current Assets			
Inventories	8	1,084.12	989.87
Financial Asset:			
Trade Receivables	9	939.81	805.82
Cash and Cash Equivalents	10[A]	133.41	110.95
Bank Balance other than Cash and Cash Equivalents	10[B]	777.10	167.10
Investment	11	505.16	175.21
Other Current Financial Assets	12	6.83	3.10
Other Current Assets	13	209.31	53.17
		3,655.74	2,305.22
Total		**30,594.28**	**30,306.15**
EQUITY AND LIABILITIES:			
Equity			
Equity Share Capital	14	25,064.55	25,060.00
Other Equity	15	(49.32)	(271.29)
		25,015.23	24,788.71
Non-Current Liabilities			
Financial Liabilities:			
Borrowings	16	3,104.25	3,587.50
Lease Liabilities	17	60.30	-
Other Financial Liabilities	18	16.02	11.77
Provisions	19	120.91	118.44
Other Non-Current Liabilities	20	18.23	19.47
Deferred Tax Liabilities (Net)	33	618.79	553.50
		3,938.50	4,290.68
Current Liabilities			
Financial Liabilities:			
Borrowings	16	483.25	302.08
Lease Liabilities	17	3.30	-
Trade Payables	21		
Dues to Micro and Small Enterprises		47.78	38.00
Dues to other than Micro and Small Enterprises		760.02	674.09
Other Financial Liabilities	22	56.76	63.71
Other Current Liabilities	23	172.05	40.77
Provisions	24	117.39	108.11
		1,640.55	1,226.76
Total		**30,594.28**	**30,306.15**
Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **KKC & Associates LLP (formerly "Khimji Kunverji & Co LLP")**
Chartered Accountants
Firm Reg. No. - (105146W/ W100621)

Kamlesh R Jagetia
Partner
ICAI Membership No: 139585

Place : Mumbai
Date : May 26, 2023

For and on behalf of the Board of Directors

Dr. Arun Atrey
MD & CEO
DIN : 00032249
Place: Ahmedabad

Manish Gaur
Director
DIN : 00340911
Place: Mumbai

Vishal Shah
Chief Financial Officer
Place: Ahmedabad
Date : May 25, 2023

Swati
Company Secretary
Place: Ahmedabad

STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2023

(INR million)

Particulars	Note	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
INCOME:			
Revenue from Operations	25	7,490.62	4,980.44
Other Income	26	47.32	12.03
Total Income		**7,537.94**	**4,992.47**
EXPENSES:			
Cost of Materials Consumed	27	2,045.80	1,338.07
Purchases of Stock-in-Trade	28	2,201.14	2,032.67
Changes in Inventories of Finished goods, Work-in-Progess and Stock-in-Trade	29	(90.53)	(609.00)
Employee Benefits Expense	30	622.97	394.40
Finance Costs	31	332.55	269.09
Depreciation and Amortisation Expense	3[C]	1,189.22	846.31
Stamp duty Charges for raising Authorised Share Capital		-	25.48
Other Expenses	32	976.24	643.00
Total Expenses		**7,277.39**	**4,940.02**
Profit before Exceptional items and Tax		**260.55**	**52.45**
Less: Exceptional Items	46[d]	-	390.38
Profit / (Loss) before Tax		**260.55**	**(337.93)**
Less: Tax Expense:	33		
Current Tax		-	105.33
Prior Year Tax Adjustment		2.89	-
Deferred Tax		64.60	(157.76)
		67.49	(52.43)
Profit / (Loss) for the year / period		**193.06**	**(285.50)**
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will not be reclassified to profit or loss			
Remeasurement gain on post employment defined benefit plans		2.75	17.08
Income Tax expenses effect on above		(0.69)	(4.17)
		2.06	12.91
Other Comprehensive Income for the year / period (net of tax)		**2.06**	**12.91**
Total Comprehensive Income for the year / period (net of tax)		**195.12**	**(272.59)**
Earnings per Equity Share (EPS) (in INR)	**34**		
Basic (in INR)		0.08	(0.17)
Diluted (in INR)		0.08	(0.17)
Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **KKC & Associates LLP (formerly "Khimji Kunverji & Co LLP")**
Chartered Accountants
Firm Reg. No. - (105146W/ W100621)

Kamlesh R Jagetia
Partner
ICAI Membership No: 139585

Place : Mumbai
Date : May 26, 2023

For and on behalf of the Board of Directors

Dr. Arun Atrey
MD & CEO
DIN : 00032249
Place: Ahmedabad

Manish Gaur
Director
DIN : 00340911
Place: Mumbai

Vishal Shah
Chief Financial Officer
Place: Ahmedabad
Date : May 25, 2023

Swati
Company Secretary
Place: Ahmedabad

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2023

(A) Equity Share Capital

(INR million)

Particulars	Equity Share Capital	TOTAL
Balance as at March 09, 2021	**-**	**-**
Issue of Equity Share Capital	25,060.00	25,060.00
Balance as at March 31, 2022	**25,060.00**	**25,060.00**
Issue of Equity Share Capital	4.55	4.55
Balance as at March 31, 2023	**25,064.55**	**25,064.55**

(B) Other Equity

Particulars	Reserver & Surplus			Total Other Equity
	Share Option Outstanding Reserve	Retained Earnings	Securities Premium	
Balance as at March 09, 2021	**-**	**-**	**-**	**-**
(Loss) for the period	-	(285.50)	-	(285.50)
Employee Stock Option Granted	1.30	-	-	1.30
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Other Comprehensive Income				**-**
Re-measurement gain on defined benefit plans (net of tax)	-	12.91	-	12.91
Balance as at March 31, 2022	**1.30**	**(272.59)**	**-**	**(271.29)**
Profit for the year	-	193.06	-	193.06
Employee Stock Option Granted	26.40	-	-	26.40
Issue of Equity Share Capital	-	-	0.45	0.45
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Other Comprehensive Income				**-**
Re-measurement gain on defined benefit plans (net of tax)	-	2.06	-	2.06
Balance as at March 31, 2023	**27.70**	**(77.47)**	**0.45**	**(49.32)**

The Description of the nature and purpose of reserve within equity is as follows:

a. **Securities Premium :** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, equity related expenses like underwriting costs, etc.

b. **Shares Options Outstanding Reserve :** The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to certain senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **KKC & Associates LLP (formerly "Khimji Kunverji & Co LLP")**
Chartered Accountants
Firm Reg. No. - (105146W/ W100621)

Kamlesh R Jagetia
Partner
ICAI Membership No: 139585

Place : Mumbai
Date : May 26, 2023

For and on behalf of the Board of Directors

Dr. Arun Atrey
MD & CEO
DIN : 00032249
Place: Ahmedabad

Manish Gaur
Director
DIN : 00340911
Place: Mumbai

Vishal Shah
Chief Financial Officer
Place: Ahmedabad
Date : May 25, 2023

Swati
Company Secretary
Place: Ahmedabad

STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
A Cash Flow from Operating Activities		
Profit / (Loss) Before Tax	260.55	(337.93)
Adjustments for:		
Depreciation, Amortisation and Impairment expense	1,189.22	846.31
Exceptional Items	-	390.38
Equity Share Issue Expenses	-	1.25
Finance Cost	332.55	269.09
Foreign Exchange (Gain) (Net)	(5.24)	(2.99)
Allowance for credit losses on Financial Assets	2.84	3.00
Finance Income	(24.95)	(5.08)
Loss on Sale of PPE (Net)	0.44	-
Net (Gain) on Disposal of Investment	(22.37)	(3.96)
Expenses on Employee Stock Options Scheme	26.40	1.30
Operating Profit Before Working Capital Adjustments	**1,759.44**	**1,161.37**
Movement in Working Capital:		
(Increase) In Inventories	(94.25)	(108.40)
(Increase) In Trade Receivable	(136.83)	(96.28)
(Increase) / Decrease In Other financial assets	(8.97)	45.98
(Increase) In Other Assets	(156.14)	(90.54)
Increase In Other Financial Liabilities	14.33	31.49
Increase in Other Liabilities	130.04	60.24
Increase in Provisions	11.75	26.66
Increase in Trade Payables	100.95	242.10
Cash Generated from Operating Activity	1,620.32	1,272.62
Taxes refund / (paid) (Income Tax) (net)	20.07	(127.76)
Net Cash Generated from Operating Activity	**1,640.39**	**1,144.86**
B Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipments	(102.81)	(7.77)
Proceeds from sale of Property, Plant and Equipments	1.12	0.93
Net (Purchase)/Sale of Investment	(307.58)	(171.25)
Payment for Purchase of Business	-	(28,982.66)
Payment for Business Acquisition cost	-	(390.38)
Net Investment in Fixed Deposits	(610.00)	(167.10)
Interest Income	24.90	5.08
Net Cash (used) on Investing Activities	**(994.37)**	**(29,713.15)**
C Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	5.00	25,060.00
(Repayment) / Proceeds from Borrowings (Net)	(302.08)	3,889.58
(Repayment) of Lease Liabilities	(2.18)	-
Expenses for Issue of Equity Shares	-	(1.25)
Interest on Borrowings	(324.30)	(269.09)
Net Cash (used) / Generated from Financing Activities	**(623.56)**	**28,679.24**
D Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	**22.46**	**110.95**
Cash & Cash Equivalent At the Beginning of the Year / Period	**110.95**	**-**
Cash & Cash Equivalent At the End of the Year / Period	**133.41**	**110.95**
Comonents of Cash and Cash Equivalents		
Cash on Hand	-	-
Balances With Banks	133.41	110.95
Cash & Cash Equivalent At the End of the Year / Period	**133.41**	**110.95**

Note:-

1. The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

STATEMENT OF CASH FLOWS *(CONTINUED)*

for the year ended March 31, 2023

2. Changes in liabilities arising from financing activities:

(INR million)

Particulars	Borrowings		
	Non-Current	Current	Total
As at March 09, 2021	-	-	-
Cash Flow	3,889.58	-	3,889.58
Fair Value Changes	-	-	-
As at March 31, 2022	3,889.58	-	3,889.58
Cash Flow	(302.08)		(302.08)
Fair Value Changes	-	-	-
As at March 31, 2023	3,587.50	-	3,587.50

As per our report of even date
For **KKC & Associates LLP (formerly "Khimji Kunverji & Co LLP")**
Chartered Accountants
Firm Reg. No. - (105146W/ W100621)

Kamlesh R Jagetia
Partner
ICAI Membership No: 139585

Place : Mumbai
Date : May 26, 2023

For and on behalf of the Board of Directors

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DIN : 00032249
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Director
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Place: Mumbai

Vishal Shah
Chief Financial Officer
Place: Ahmedabad

Swati
Company Secretary
Place: Ahmedabad

Date : May 25, 2023

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 1 Corporate Information

ZENEX ANIMAL HEALTH INDIA PRIVATE LIMITED (formerly known as, "Nutrizvit Animal Health India Private Limited) ("the Company"), a company incorporated under the Companies Act, 2013, on March 09, 2021 bearing corporate identification number U24299GJ2021PTC120998 and having its registered office at 9th Floor of Punishka House, Next to One42, Opp. Jayantilal Park BRTS, Ambli - Bopal Road Ahmedabad 380054, Gujarat, India. The Company is in the business of production, marketing and distribution of Animal Health and Veterinary products.

Note: 2 Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value.
- Net defined benefit (asset) / liability measured as per actuarial valuation.
- Assets and liabilities acquired under Business Combination measured at fair value.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and presentation currency

The Company's financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts have been rounded off to the nearest million and up to two decimals, except where otherwise indicated.

Classification of Assets and Liabilities into Current/ Non-Current

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and noncurrent.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, Presentation of Financial Statements.

For the Purpose of Balance Sheet an Assets is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is expected to be realised within twelve months after the reporting date; or

(iv) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting date; or

(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

(b) Significant Management judgements, estimates & assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect:

a. Recognition of deferred tax assets and liabilities:

Deferred Tax Assets and Liabilities are recognised for deductible temporary differences for which there is probability of utilization against the future taxable profit. The Company uses judgement to determine the amount of deferred tax liability /asset that can be recognised, based upon the likely timing and level of future taxable profits and business developments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

b. **Useful lives of property plant & equipment and intangible assets:**

The Company uses its technical expertise along with historical and industry trends for determining the useful life of an asset/component of an asset. Intangible assets represent a large proportion of the asset base of the Company. The charge in respect of periodic depreciation / amortization 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 / amortization at each reporting period end and any revision to these is recognised prospectively in current and future periods.

c. **Employee benefits:**

The defined benefit obligations measured using actuarial valuation techniques. An actuarial valuation involves making key assumption of life expectancies, salary increases and withdrawal rates. Variation in these assumptions may impact the defined benefit obligation.

d. **Product warranty and expiry claims:**

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockiest.

e. **Impairment of assets :**

Significant judgment is involved in determining the estimated future cash flows from the Property, Plant and Equipment, Intangible asset and Goodwill to determine its value in use to assess whether there is any impairment in its carrying amount as reflected in the financials.

f. **Contingencies:**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies, claim, litigations etc against the Company as it is not possible to predict the outcome of pending matters with accuracy.

g. **Business Combination:**

(I) Fair Value of Intangibles:

(i) Brands/Trademarks;

The Company has used multi-period excess earnings method for value analysis of Brand. The method estimates the value as the present value of the after-tax projected cash flows attributable to the Brand/Trademark after deducting contributory asset charge.

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk associated with the Brand Name.

(ii) Distribution Rights/Relationships:

The Company has used multi-period excess earnings method for value analysis of Distribution Rights/Relationships. The method estimates the value as the present value of the after-tax projected cash flows attributable to the Brand/Trademark after deducting contributory asset charge.

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk associated with the Brand Name.

(iii) Distribution Network:

The Company has used with and without method for value analysis of Distribution Network. The method compares the after tax cash flows with assumptions of the intangible asset in presence and in absence.

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk associated with the Brand Name.

(II) Fair Value of Tangibles:

The cost approach has been adopted for fair valuing all the assets which have been measured at the old book values less depreciation.

The cost approach includes taking inflation index for the current year with base year as 2001-02 to determine the possible current cost of each item and then it is adjusted against depreciation.

(c) Revenue Recognition:

The following are the significant accounting policy related to revenue recognition under Ind AS 115.

a. **Sale of Goods:**

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point when the control of goods or services is transferred to a customer.

Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts, incentives, volume rebates and outgoing taxes on sale.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch/delivery of goods. 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.

The specific recognition criteria described below must also be met before revenue is recognised:

a. Interest Income:

Interest income is recognised using the Effective Interest Method.

b. Dividend:

Dividend income is recognised when the Company's right to receive the payment is established.

c. Other Income:

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

(d) 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 co-relation to the underlying transaction either in Profit and Loss, 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, the carry forward of 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 co-relation to the underlying transaction either in profit or loss or 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.

(e) Property, Plant and Equipment:

a. 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.

b. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. 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.

c. 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.

d. 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 or based on technical advice, taking into account the nature of the PPE and the estimated

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The useful life of the property, plant and equipment acquired in the business combination are taken as mentioned in Schedule II less actual life for which assets has already been used. Following useful lives have been estimated based on the management's assessment and technical evaluations: -

Sr. No.	Name	Useful life
1	Buildings	1 - 56 Years
2	Plant and Machinery	1 – 15 Years
3	Furniture and Fixtures	1 – 6 Years
4	Vehicles	8 Years
5	Office Equipment	1 – 6 Years

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.

e. Depreciation on impaired assets is calculated on its reduced value, if any, on a systematic basis over its remaining useful life.

f. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are acquired/installed/discarded.

g. Where the actual cost of purchase of an asset is below INR 10,000/-, the depreciation is provided @ 100%.

h. Capital work in progress is stated at cost less accumulated impairment loss, if any.

i. An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

(f) 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 the Statement of profit and loss in the period in which the expenditure is incurred.

c. Brands/Trade Marks, Computer Software, Distribution Network/commercial rights and other similar rights are amortised over their estimated useful life. Following useful lives have been estimated based on the management's assessment and technical evaluations.: -

Sr. No.	Name	Useful life
1	Brands / Trademarks	10 - 25 Years
2	Distribution Network	5 Years
3	Distribution Rights	20 Years

d. 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.

e. An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

(g) Impairment of 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.

(h) Research and Development Cost:

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

b. Capital expenditure on research and development is given the same treatment as Property, Plant and Equipment.

(i) Foreign Currency transactions:

Transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

a. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

b. exchange differences relating to qualifying effective cash flow hedges and qualifying net investment hedges in foreign operations which are recognised in OCI.

(j) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(k) Inventories

Inventories are carried at lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing inventories to their present location and conditions. Cost is determined on weighted average basis. 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 expense 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.

(l) Cash and cash equivalents

Cash and Cash Equivalents comprise of cash on hand, cash at bank, short-term deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(m) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

(n) 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,

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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 profit or 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 and lease liabilities have been included in other financial liabilities.

Short Term leases and leases of low-value assets

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows

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.

(o) Provisions, Contingent Liabilities and Contingent Assets:

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 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.

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.

(p) 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. Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

A. Financial Assets

a. Classification and Measurement:

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

b. Initial Recognition of Financial Assets

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset subsequently not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

c. Subsequent measurement of Financial Asset

Amortised Cost

A Financial Asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

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 the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost

b. Trade receivables or any contractual right to receive cash or another financial asset

c. Financial assets that are debt instruments and are measured as at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point b above.

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] recognized during the period is recognized as income/ expense in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

B. Financial Liabilities:

a. Initial Recognition and Measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

c. **Derecognition of financial assets and financial liabilities:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability for amounts it has to pay.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss.

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

(q) Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a. In the principal market for the asset or liability, or

b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

A. Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

B. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

C. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation [based on the lowest level input that is significant to the fair value measurement as a whole] at the end of each reporting period.

(r) Retirement and other 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.

Post-employment benefits

b. **Defined Benefit Plans - Gratuity**

The Company operates a defined benefit gratuity plan with contributions to be made to a separately administered fund through Life Insurance Corporation of India through Employees Group Gratuity Plan. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Liability with regards to gratuity plan is determined using the projected unit credit method, with actuarial valuations being carried out by a qualified independent actuary at the end of each reporting period using the projected unit method

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and will not be reclassified to Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

The present value of the defined benefit obligation denominated in INR is calculated using by discounting the estimated the future cash outflows by reference to the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.. The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

c. Defined Contribution plans- Provident Fund Contribution

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund as per the provisions of the Provident Fund Act, 1952 to the government. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

d. Other long-term employee benefit obligations – Leave Wages and Sick Leave (Compensated Absences)

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation at the end of each reporting period using the projected unit method. 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.

(s) Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(t) 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 as on at acquisition date fair value. Acquisition-related costs are expensed as incurred.

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. This includes the separation of embedded derivatives in host contracts by the acquiree.

d. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS-109 "Financial Instruments", is measured at fair value with changes in fair value recognised in Statement of profit and loss. If the contingent consideration is not within the scope of Ind AS-109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequently its settlement is accounted for within equity.

e. Goodwill is initially measured at the excess of, the aggregate of the consideration transferred 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

f. 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 acquiree are assigned to those units.

g. 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.

h. 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.

(u) Share Based Payments:

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 49.

Note: 3 Property, Plant and Equipment & Intangible Assets

[A] Property, Plant and Equipment

(INR million)

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block:						
As at March 09, 2021	-	-	-	-	-	**-**
Acquisition through Business Combination	77.33	41.18	0.92	19.65	12.52	**151.60**
Additions	-	3.27	-	2.93	3.65	**9.85**
Disposals	-	-	-	(2.10)	-	**(2.10)**
Other adjustments	-	-	-	-	-	**-**
As at March 31, 2022	**77.33**	**44.45**	**0.92**	**20.48**	**16.17**	**159.35**
Additions	20.91	1.33	9.36	11.35	28.19	**71.14**
Disposals	-	-	-	(2.24)	(0.06)	**(2.30)**
Other adjustments	-	-	-	-	-	**-**
As at March 31, 2023	**98.24**	**45.78**	**10.28**	**29.59**	**44.30**	**228.19**
Depreciation and Impairment:						
As at March 09, 2021	-	-	-	-	-	**-**
Depreciation for the period	2.72	7.55	0.76	2.08	3.14	**16.25**
Impairment for the period	-	-	-	-	-	**-**
Disposals	-	-	-	(0.49)	-	**(0.49)**
As at March 31, 2022	**2.72**	**7.55**	**0.76**	**1.59**	**3.14**	**15.76**
Depreciation for the year	4.11	8.15	0.14	3.32	6.30	**22.02**
Impairment for the year	-	-	-	-	-	**-**
Disposals	-	-	-	(0.73)	(0.02)	**(0.75)**
As at March 31, 2023	**6.83**	**15.70**	**0.90**	**4.18**	**9.42**	**37.03**
Net Block:						
As at March 31, 2022	74.61	36.90	0.16	18.89	13.03	**143.59**
As at March 31, 2023	**91.41**	**30.08**	**9.38**	**25.41**	**34.88**	**191.16**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

[B] Intangible Assets

(INR million)

Particulars	Goodwill	Other Intangible Assets			Total
		Brands / Trade Mark	Computer Software	Commercial Rights	
Gross Block:					
As at March 09, 2021	-	-	-	-	**-**
Acquisition through Business Combination	6,932.32	18,799.60	0.02	2,805.30	**21,604.92**
Additions	-	-	0.08	-	**0.08**
Disposals	-	-	-	-	**-**
Other adjustments	-	-	-	-	**-**
As at March 31, 2022	**6,932.32**	**18,799.60**	**0.10**	**2,805.30**	**21,605.00**
Additions		-	0.33	-	**0.33**
Disposals		-	-	-	**-**
Other adjustments		-	-	-	**-**
As at March 31, 2023	**6,932.32**	**18,799.60**	**0.43**	**2,805.30**	**21,605.33**
Amortisation and Impairment:					
As at March 09, 2021	-	-	-	-	**-**
Depreciation for the period	-	560.01	0.02	269.40	**829.43**
Impairment for the period	-	-	-	-	**-**
Disposals	-	-	-	-	**-**
As at March 31, 2022	**-**	**560.01**	**0.02**	**269.40**	**829.43**
Depreciation for the period	-	786.17	0.11	378.20	**1,164.48**
Impairment for the period	-	-	-	-	**-**
Disposals	-	-	-	-	**-**
As at March 31, 2023	**-**	**1,346.18**	**0.13**	**647.60**	**1,993.91**
Net Block:					
As at March 31, 2022	6,932.32	18,239.59	0.08	2,535.90	**20,775.57**
As at March 31, 2023	**6,932.32**	**17,453.42**	**0.30**	**2,157.70**	**19,611.42**

[C] Depreciation, Amortisation and Impairment expenses:

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation and Amortisation expenses (refer note 3(A), 3(B) & 5(A)) :		
Depreciation	24.74	16.88
Amortisation	1,164.48	829.43
Impairment	-	-
Total	**1,189.22**	**846.31**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 4 Capital Work-in-Progress & Intangible Assets Under Development

[A] Capital Work-in-Progress

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Work-in-Progress	1.26	1.26

Note:-

a) Capital Work-in-Progress Ageing Schedule

As at March 31, 2023

(INR million)

CWIP	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
Projects in Progress	-	1.26	-	-	1.26
Projects temporarily suspended	-	-	-	-	-
TOTAL	**-**	**1.26**	**-**	**-**	**1.26**

As at March 31, 2022

(INR million)

CWIP	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
Projects in Progress	1.26	-	-	-	1.26
Projects temporarily suspended	-	-	-	-	-
TOTAL	**1.26**	**-**	**-**	**-**	**1.26**

b) There is some delay in CWIP Completion due to modification requirements from Technical team. However, the cost has not exceeded materially to its original plan.

c) There is no project that has been temporarily suspended.

[B] Intangible Assets under development

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible Assets under development	14.29	-

Note:-

a) Intangible Asset Under Development Ageing Schedule

As at March 31, 2023

(INR million)

CWIP	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
Projects in Progress	14.29	-	-	-	14.29
Projects temporarily suspended	-	-	-	-	-
TOTAL	**14.29**	**-**	**-**	**-**	**14.29**

As at March 31, 2022

(INR million)

CWIP	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**

b) There are no such Intangible Asset Under Development of which completion is overdue or has exceeded its cost compared to the original plan.

c) There is no project that has been temporarily suspended.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 5 Leases (Ind AS 116)

[A] Right-of-use assets

Particulars	Leasehold Land	Building	Total
Gross Block:			
As at March 09, 2021	-	-	-
Acquisition through Business Combination	71.27	-	71.27
Additions	-	-	-
As at March 31, 2022	**71.27**	**-**	**71.27**
Additions	-	67.21	67.21
As at March 31, 2023	**71.27**	**67.21**	**138.48**
Depreciation and Impairment:			
As at March 09, 2021	-	-	-
Depreciation for the period	0.63	-	0.63
Impairment for the period		-	-
As at March 31, 2022	**0.63**	**-**	**0.63**
Depreciation for the year	0.88	1.84	2.72
Impairment for the year		-	-
As at March 31, 2023	**1.51**	**1.84**	**3.35**
Net Block:			
As at March 31, 2022	70.64	-	70.64
As at March 31, 2023	**69.76**	**65.37**	**135.13**

[B] Lease Expenses recognized in Statement of Profit and Loss not included in the measurement of lease liabilities

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Variable lease payments	-	-
Expenses relating to short-term leases	9.92	8.10
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

[C] Maturity analysis of lease liabilities– contractual undiscounted cash flows:

(INR million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Undiscounted Minimum Lease Payment	Present Value of Minimum Lease Payment	Undiscounted Minimum Lease Payment	Present Value of Minimum Lease Payment
Less than one year	8.90	3.30	-	-
One to five years	40.27	21.96	-	-
More than five years	45.53	38.34	-	-
Total undiscounted lease liabilities	94.70	63.60	-	-

Note:- The difference between minimum lease payments and the present value of minimum lease payments of INR 31.10 million represents interest not due.

[D] Impact of Ind AS 116 has resulted in lower expenses in Other Expenses by INR 2.20 million whereas Finance Costs and Depreciation and Amortisation expenses are higher by INR 0.96 million and INR 1.84 million respectilvely.

[E] Leasehold land has been reclassified to Right of Use assets from Property Plant & Equipment. Consequently, all comparative period numbers have been restated. There is no impact on the Profits and financial position of the Company on account of the aforesaid regrouping.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 6 Other Non-Current Financial Assets

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Security Deposits	12.32	11.84
Loan to Employees	2.84	2.44
Fixed Deposits with Bank (Earmarked with Government Parties for Tenders)	4.50	2.47
TOTAL	**19.66**	**16.75**

Note: 7 Other Non-Current Assets

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good unless otherwise stated]		
Deferred Finance Charges	30.08	37.37
TOTAL	**30.08**	**37.37**

Note: 8 Inventories

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	313.11	294.66
Work-in-progress	0.93	9.32
Finished Goods	309.74	248.55
Stock-in-Trade	388.86	351.13
Others [includes packing material, stores spares, etc.]	71.48	86.21
Total	**1,084.12**	**989.87**
The above includes Goods in transit as under:		
Raw Materials	7.77	-
Stock-in-Trade	32.64	-

Note: 9 Trade Receivables

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	939.81	805.82
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired.	5.85	3.00
	945.66	808.82
Less: Allowance for credit losses	5.85	3.00
Total	**939.81**	**805.82**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note 9 (a) :-

Trade Receivables Ageing:

As at March 31, 2023

(INR million)

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment or transaction					Total
			Less than 6 months	6 Months- 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	-	762.82	161.70	10.05	5.24	-	-	**939.81**
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - credit impaired	-	-	1.35	4.06	-	-	-	**5.41**
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	0.31	0.13	-	-	-	**0.44**
Total	**-**	**762.82**	**163.36**	**14.24**	**5.24**	**-**	**-**	**945.66**
Less:- Allowance for doubtful trade receivables								**5.85**
Total								**939.81**

As at March 31, 2022

(INR million)

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment or transaction					Total
			Less than 6 months	6 Months- 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	-	636.91	126.10	42.51	-	-	-	**805.52**
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	2.04	-	-	-	**2.04**
(iv) Disputed Trade Receivables - Considered Good	-	-	-	0.30	-	-	-	**0.30**
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	0.96	-	-	-	**0.96**
Total	**-**	**636.91**	**126.10**	**45.81**	**-**	**-**	**-**	**808.82**
Less:- Allowance for doubtful trade receivables								**3.00**
Total								**805.82**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 10 Cash and Bank Balances

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
A Cash and Cash Equivalents		
Balances with Banks	133.41	110.95
Total	**133.41**	**110.95**
There are no amounts of cash and cash equivalent balances held by the entity that are not available for use.		
B Bank balances other than cash and cash equivalents		
Deposits with maturity over 3 months but less than 12 months*	777.10	167.10
Total	**777.10**	**167.10**

* Fixed Deposits of INR 167.00 million (Previous Year INR 167.00 million) are marked as debt service reserve amount in favour of the lenders as per clause 4.4 of the Facility agreement entered between the Company and the lenders i.e.ICICI Bank and Kotak Bank.

Note: 11 Investment

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unquoted mutual funds (valued at fair value through profit and loss)		
68,658.321 (P.Y. 74,347.451) units of INR 1,206.09 each in Aditya Birla Sun Life Overnight Fund - Growth - Regular Plan	82.80	85.12
42,357.621 units of INR 1,203.34 each in ICICI Prudential Overnight Fund - Growth - Regular Plan	50.97	-
5,20,803.377 units of INR 330.65 each in ICICI Prudential Liquid Fund - Growth - Regular Plan	172.21	-
39,860.592 (P.Y. 79,665.964) units of INR 1,191.24 each in Kotak Overnight Fund - Growth - Regular Plan	47.48	90.09
11,266.819 units of INR 4,517.37 each in Kotak Liquid Fund - Growth - Regular Plan	50.90	-
16,765.500 units of INR 3,608.32 each in SBI Overnight Fund - Growth - Regular Plan	60.50	-
11,527.474 units of INR 3,496.08 each in SBI Liquid Fund - Growth - Regular Plan	40.30	-
Total	**505.16**	**175.21**
Aggregate carrying value of unquoted Mutual Funds	505.16	175.21
Aggregate net assets value of unquoted Mutual Funds	505.16	175.21

Note: 12 Other Current Financial Assets

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Receivable	5.37	1.39
Loan to Employees	1.46	1.71
Total	**6.83**	**3.10**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 13 Other Current Assets

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
[Unsecured, Considered Good]		
Balances with Statutory Authorities	181.20	28.59
Advances to Suppliers	22.63	21.20
Advances to Employees	0.75	2.11
Prepaid Expenses	4.73	1.27
Total	**209.31**	**53.17**

Note: 14 Equity Share Capital

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Share Capital		
Authorised share capital		
3,000,000,000 Equity Shares of INR 10/- each	30,000.00	30,000.00
Issued, subscribed and fully paid-up share capital		
250,64,54,545 (previous period 250,60,00,000) fully paid-up Equity Shares of INR 10/- each	25,064.55	25,060.00

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year / period

(INR million)

Equity Shares	As at March 31, 2023		As at March 31, 2022	
	No	INR million	No	INR million
At the beginning of the year / period	2,506,000,000	25,060.00	-	-
Add:- Issue of Shares	454,545	4.55	2,506,000,000	25,060.00
Outstanding at the end of the year / period	2,506,454,545	25,064.55	2,506,000,000	25,060.00

Note:

i) **Terms / Rights attached to equity shares**

- The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.
- In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

b) Details of Shareholder holding more than 5% of aggregate Equity Shares of INR 10/- each

(INR million)

Particular	As at March 31, 2023		As at March 31, 2022	
	No	% of total share holding	No	% of total share holding
Rare Equity Private Limited	700,000,000	28%	700,000,000	28%
Multiples Private Equity Fund III	687,205,145	27%	687,205,145	27%
CPP Investment Board Private Holdings (4) Inc.	595,000,000	24%	595,000,000	24%
IFC Emerging Asia Fund, LP	251,000,000	10%	251,000,000	10%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

c) Disclosure of Shareholding of Promoters

Share held by Promoters as at March 31, 2023				% change during the period
Sr. No.	Promoter Name	No. of Shares	% of total shares	
		Nil		
Total		-		

Share held by Promoters as at March 31, 2022				% change during the period
Sr. No.	Promoter Name	No. of Shares	% of total shares	
		Nil		
Total		-		

Note: 15 Other Equity

(INR million)

Particulars		As at March 31, 2023	As at March 31, 2022
Share Option Outstanding Reserve			
At the beginning of the year / period		1.30	-
Employee Stock Option Granted		26.40	1.30
Outstanding at the end of the year / period	**(A)**	**27.70**	**1.30**
Securities Premium			
At the beginning of the period		-	-
Issue of Equity Share Capital		0.45	-
Outstanding at the end of the year / period	**(B)**	**0.45**	**-**
Retained Earnings			
At the beginning of the year / period		(272.59)	-
Add : Profit / (Loss) for the year / period		193.06	(285.50)
Outstanding at the end of the year / period (A)	**(C)**	**(79.53)**	**(285.50)**
Items of other Comprehensive income recognised directly in Retained Earnings:			
- Re-measurement gains on defined benefit plans [net of tax] (B)	**(D)**	**2.06**	**12.91**
	(E) = (C) + (D)	**(77.47)**	**(272.59)**
Other Equity at the end of the year / period	**(F) = (A) + (B) + (E)**	**(49.32)**	**(271.29)**

Note: 16 Borrowings

(INR million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Term Loan from Banks (refer note (a) below)	3,104.25	-	3,587.50	-
Current Maturity of Long Term Borrowings (refer note (a) below)	-	483.25	-	302.08
Total	**3,104.25**	**483.25**	**3,587.50**	**302.08**

Particulars	As at March 31, 2023	As at March 31, 2022
The above amount includes:		
Secured borrowings	3,587.50	3,889.58
Unsecured borrowings	-	-
Total	**3,587.50**	**3,889.58**

Note:-

a) Term Loans from Banks aggregating to INR 3,587.50 million (Previous Year INR 3,889.58 million) carries interest rate ranging from 8.20% to 9.00% per annum are secured by first pari-passu charge on all immovable assets, movable assets and current assets both present and future. The Term loan is repayable over a period of 8 years in variable quarterly installments upto September 2029.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 17 Lease Liabilities

(INR million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Lease Liabilities	60.30	3.30	-	-
Total	**60.30**	**3.30**	**-**	**-**

Note: 18 Other Non-Current Financial Liabilities

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits from Employees	16.02	11.77
Total	**16.02**	**11.77**

Note: 19 Long Term Provisions

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits	120.91	118.44
Total	**120.91**	**118.44**

Note: 20 Other Non-Current Liabilities

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Deposits from Distributors	18.23	19.47
Total	**18.23**	**19.47**

Note: 21 Trade Payables

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Dues to Micro and Small Enterprises	47.78	38.00
Due to other than Micro and Small Enterprises	760.02	674.09
Total	**807.80**	**712.09**

Note:-

Trade Payables Ageing:

As at March 31, 2023

(INR million)

	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment or transaction				Total
			Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	
(i) MSME	-	47.62	0.16	-	-	-	**47.78**
(ii) Others	-	607.47	152.01	0.54	-	-	**760.02**
(iii) Disputed Dues - MSME	-	-	-	-	-	-	**-**
(iii) Disputed Dues - Others	-	-	-	-	-	-	**-**
Total	**-**	**655.09**	**152.17**	**0.54**	**-**	**-**	**807.80**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

As at March 31, 2022

(INR million)

	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment or transaction				Total
			Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	
(i) MSME	-	37.98	0.02	-	-	-	**38.00**
(ii) Others	-	658.47	15.62	-	-	-	**674.09**
(iii) Disputed Dues - MSME	-	-	-	-	-	-	**-**
(iii) Disputed Dues - Others	-	-	-	-	-	-	**-**
Total	**-**	**696.45**	**15.64**	**-**	**-**	**-**	**712.09**

Note: 22 Other Current Financial Liabilities

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Accrued on Loan	10.51	10.73
Accrued Expenses	28.67	52.43
Payable for capital goods	17.58	0.55
Total	**56.76**	**63.71**

Note: 23 Other Current Liabilities

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from Customers (Contract Liabilities)	23.70	17.83
Payable to Statutory Authorities	148.35	22.94
Total	**172.05**	**40.77**

Note: 24 Short Term Provisions

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits	40.69	39.07
Provision for claims for product expiry and breakage of goods (refer note below)	76.70	69.04
Total	**117.39**	**108.11**

Note:-

Provision for claims for product expiry and breakage 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:

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Carrying amount at the beginning of the year / period	69.04	-
ii) Provision of expiry and breakage transferred through business combination	-	70.66
iii) Additional provision made during the year / period	57.29	31.98
iv) Amount used	(49.63)	(33.60)
v) Carrying amount at the end of the year / period	**76.70**	**69.04**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 25 Revenue from Operations

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Sale of Products (refer note 25(a) below)	7,473.39	4,974.94
Other Operating Revenues:		
- Export Incentives	1.61	0.41
- Miscellaneous Income	15.62	5.09
	17.23	5.50
Total	**7,490.62**	**4,980.44**

Note 25(a):-

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:

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Revenue as per contracted price	7,502.72	4,993.08
Add:		
Provision made / (reversal) for Expiry and Breakages (net)	(7.66)	1.62
Discounts	(21.67)	(19.76)
	(29.33)	(18.14)
Revenue from Contracts with customers	**7,473.39**	**4,974.94**

Note: 26 Other Income

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Finance Income:		
- Interest Income on Financial Assets measured at Amortised Cost	24.95	5.08
Net Gain on disposal of Investments	13.90	3.74
Gain on Fair valuation of Investments through Profit or Loss	8.47	0.22
Gain on Foreign Exchange	-	2.99
Total	**47.32**	**12.03**

Note: 27 Cost of Materials Consumed

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Raw Materials [Pharmaceutical Ingredients]:		
Stock at commencement	294.66	-
Add: Purchases	1,649.98	1,379.32
	1,944.64	1,379.32
Less: Stock at close	313.11	294.66
	1,631.53	1,084.66
Packing Materials consumed	414.27	253.41
Total	**2,045.80**	**1,338.07**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 28 Purchases of Stock-in-Trade

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Purchases of Stock-in-Trade	2,201.14	2,032.67
Total	**2,201.14**	**2,032.67**

Note: 29 Changes in Inventories

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Stock at commencement:		
Work-in-progress	9.32	-
Finished Goods	248.55	-
Stock-in-Trade	351.13	-
	609.00	**-**
Less: Stock at close:		
Work-in-progress	0.93	9.32
Finished Goods	309.74	248.55
Stock-in-Trade	388.86	351.13
	699.53	609.00
TOTAL	**(90.53)**	**(609.00)**

Note: 30 Employee Benefits Expense

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Salaries and wages	543.57	357.67
Contribution to provident and other funds	45.54	31.58
Expenses on Employee Stock Options Scheme	26.40	1.30
Staff welfare expenses	7.46	3.85
TOTAL	**622.97**	**394.40**

Note: 31 Finance Cost

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Interest expense	325.26	256.46
Amortisation of Loan Processing Fees	7.29	12.63
TOTAL	**332.55**	**269.09**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 32 Other Expenses

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Analytical and Testing Expenses	8.47	2.51
Consumption of Stores and spare parts	12.23	10.28
Power & fuel	34.15	24.95
Rent	9.92	8.10
Repairs and Maintenance	25.48	8.30
Insurance	22.05	12.15
Processing Charges	169.52	112.45
Traveling Expenses	86.98	42.43
Commission on sales	139.81	101.32
Freight and forwarding on sales	124.87	87.67
Representative Allowances	117.38	48.69
Loss on Sale of Property, Plant and Equipments (Net)	0.44	0.69
Other marketing expenses	107.83	73.07
Commission to Independent Director	0.85	-
Payment to Statutory Auditor (refer note below)	2.14	2.54
Legal and Professional Fees	43.21	19.82
Bad Debts:		
Bad debts written off	-	-
Impairment allowances	2.84	3.00
	2.84	3.00
Less: Transferred from impairment allowances	-	-
	2.84	3.00
Labour Charges	22.85	19.47
Loss on Foreign Exchange	7.46	-
GST Expenses	30.19	29.83
Miscellaneous Expenses	7.57	35.73
TOTAL	**976.24**	**643.00**

Note:-

a) Payment to the Statutory Auditors [excluding GST]:

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
- As Fees Against Statuory Audit and Limited Reviews	1.80	1.60
- As Fees Against Tax Audit	0.20	0.20
- As Fees Against Other Services	0.06	0.69
- Reimbursement of expenses	0.08	0.05
- Total	**2.14**	**2.54**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 33 Income Tax

The major component of income tax expenses for the year / period ended March 31, 2023 are as under

a) Tax Expense reported in the statement of Profit and Loss

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Current Income tax		
Current tax charges	-	105.33
Prior Year Tax Adjustment	2.89	-
Deferred Tax		
Relating to origination and reversal of temporary differences	64.60	(157.76)
Tax Expense / (Credit) reported in the Statement of Profit and Loss	**67.49**	**(52.43)**

Tax on Other Comprehensive Income ('OCI')

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Deferred tax related to items recognised in OCI during the period		
Tax impact on re-measurement (gain) on defined benefit plans	(0.69)	(4.17)
Tax on Other Comprehensive Income ('OCI')	**(0.69)**	**(4.17)**

b) Balance Sheet Section

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Advance Tax & TDS	3.22	128.76
Provision for Tax	-	(105.33)
	3.22	**23.43**

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2023

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Profit / (Loss) Before Tax	**260.55**	**(337.93)**
Enacted Tax Rate in India (%)	25.17	25.17
Expected Tax Expenses	65.58	(85.05)
Tax Effect of:		
Effect of non-deductible expenses	0.05	32.52
Effect of earlier period tax expenses	1.86	-
Others	-	0.10
Total	**1.91**	**32.62**
Tax Expenses as per Profit & Loss	**67.49**	**(52.43)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

d) Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:

(INR million)

Particulars	Opening	Impact for the current year	As at March 31, 2023
Deferred Tax Liabilities			
Depreciation	551.70	896.29	1,447.99
Other Adjustment	9.87	(2.22)	7.65
	561.57	894.07	1,455.64
Deferred Tax Assets			
Receivables	(0.76)	(0.72)	(1.48)
Preliminary Expense	(3.55)	1.67	(1.88)
Lease Liabilities	-	(16.01)	(16.01)
Unabsorbed Depreciation	-	(812.69)	(812.69)
Employee benefits/ Payable to Statutory Authorities	(3.76)	(1.03)	(4.79)
	(8.07)	(828.78)	(836.85)
Net Deferred Tax Liabilities	**553.50**	**65.29**	**618.79**

(INR million)

Particulars	Opening	Impact for the current period	As at March 31, 2022
Deferred Tax Liabilities			
Depreciation	706.09	(154.39)	551.70
Other Adjustment	-	9.87	9.87
	706.09	(144.52)	561.57
Deferred Tax Assets			
Receivables	-	(0.76)	(0.76)
Preliminary Expense	-	(3.55)	(3.55)
Employee benefits/ Payable to Statutory Authorities	-	(3.76)	(3.76)
	-	(8.07)	(8.07)
Net Deferred Tax Liabilities / (Assets)	**706.09**	**(152.59)**	**553.50**

e) 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.

f) Unabsorbed Depreciation is allowed to be set-off for indefinite period.

Note: 34 Earnings Per Share (EPS)

(INR million)

Particulars	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
(A) Basic EPS:		
i) Profit / (Loss) after Tax	193.06	(285.50)
ii) Weighted average number of equity shares outstanding (Face value INR 10/ share)	2,506,133,250	1,692,196,201
Basic Earnings per Share (in INR) (i) / (ii)	**0.08**	**(0.17)**
(B) Diluted EPS:		
i) Weighted average number of equity shares outstanding	2,506,133,250	1,692,196,201
ii) Potential Equity Shares on exercise of options	25,945,000	-
iii) Weighted average number of equity shares in calculating diluted EPS (Face value INR 10/ share)	2,532,078,250	1,692,196,201
Diluted Earnings per Share (in INR) {(A) (i) / (B) (iii)}	**0.08**	**(0.17)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 35 Disclosures as required by Ind AS - 19 Employee Benefits

(A) The Company has recognised, in the Statement of Profit and Loss for the current year, an amount of INR 31.79 million as expenses under the defined contribution plan.

(INR million)

Contribution to	Year ended March 31, 2023	Period from March 09, 2021 to March 31, 2022
Provident Fund	31.79	21.20

(B)Defined benefit plan and long term employment benefit

i) General Description

Leave wages [Long term employment benefit]:

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 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.

Each financeial year, the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

(INR million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
(C) Change in the present value of the defined benefit obligation:						
Opening obligation	22.43	84.89	113.61	-	-	-
Liabilities assumed in an acquisition through Business Combinations	-	-	-	18.80	70.94	118.90
Interest cost	1.39	4.98	7.12	0.79	2.73	5.47
Current service cost	1.25	8.94	10.30	2.07	5.54	6.83
Benefits paid	-	(10.96)	(16.35)	-	(3.65)	-
Actuarial [gains]/ losses on obligation due to:						
Experience adjustments	(1.10)	3.28	0.95	1.34	10.80	(15.17)
Change in financial assumptions	(0.75)	(1.93)	(3.22)	(0.57)	(1.47)	(2.42)
Closing obligation	**23.22**	**89.20**	**112.41**	**22.43**	**84.89**	**113.61**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

(INR million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
(D) Change in the fair value of plan assets						
Opening fair value of plan assets	-	-	63.43	-	-	-
Assets assumed in an acquisition through Business Combinations	-	-	-	-	-	62.34
Interest Income	-	-	4.03	-	-	2.03
Return on plan assets excluding amounts included in interest income	-	-	0.48	-	-	(1.01)
Contributions by employer	-	-	11.65	-	-	0.07
Benefits paid	-	-	(16.35)	-	-	-
Actuarial [losses] / gains	-	-	-	-	-	-
Closing fair value of plan assets	**-**	**-**	**63.24**	**-**	**-**	**63.43**
Total actuarial [losses]/ gains to be recognised	1.85	(1.35)	2.27	(0.77)	(9.33)	17.59

(INR million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
(E) Actual return on plan assets:						
Expected return on plan assets	-	-	4.03	-	-	2.03
Actuarial [losses]/ gains on plan assets	-	-	0.48	-	-	-
Actual return on plan assets	**-**	**-**	**4.51**	**-**	**-**	**2.03**

(INR million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
(F) Amount recognised in the balance sheet:						
Liabilities at the end of the period	23.22	89.20	112.41	22.43	84.89	113.61
Fair value of plan assets at the end of the period	-	-	(63.24)	-	-	(63.43)
Difference	23.22	89.20	49.17	22.43	84.89	50.18
Unrecognised past service cost	-	-	-	-	-	-
Liabilities recognised in the Balance Sheet	**23.22**	**89.20**	**49.17**	**22.43**	**84.89**	**50.18**

(INR million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
(G) Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	1.25	8.94	10.30	2.07	5.54	6.83
Net Interest cost on benefit obligation	1.39	4.98	3.09	0.79	2.73	3.44
Net actuarial [gains]/ losses	(1.85)	1.35	-	0.77	9.33	-
Amount included in "Employee Benefit Expense"	**0.79**	**15.27**	**13.39**	**3.63**	**17.60**	**10.27**
Return on plan assets excluding amounts included in interest income	-	-	(0.48)	-	-	1.01
Net actuarial [gains]/ losses in the period	-	-	(2.27)	-	-	(17.59)
Amounts recognized in OCI	**-**	**-**	**(2.75)**	**-**	**-**	**(16.58)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

(INR million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
(H) Movement in net liabilities recognised in Balance Sheet:						
Opening net liabilities	22.43	84.89	50.18	-	-	-
Adjusted pursuant to business combinations	-	-	-	18.80	70.94	56.56
Expenses as above [P & L Charge]	0.79	15.27	13.39	3.63	17.60	10.27
Employer's contribution	-	-	(11.65)	-	-	(0.07)
Amount recognised in OCI	-	-	(2.75)	-	-	(16.58)
Benefits Paid	-	(10.96)	-	-	(3.65)	-
Liabilities recognised in the Balance Sheet	**23.22**	**89.20**	**49.17**	**22.43**	**84.89**	**50.18**

(INR million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
(I) Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:						
Discount rate	7.30%	7.30%	7.30%	6.85%	6.85%	6.85%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations]						
Annual increase in salary cost	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
[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]						
(J) The categories of plan assets as a % of total plan assets are:						
Insurance plan	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%

(K) The average duration of the defined benefit plan obligation at the end of the reporting period is 6.71 years (Previous year 6.55 years).

(L) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumptions is shown below:

(INR million)

Assumptions	As at March 31, 2023			As at March 31, 2022		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
Impact on obligation:						
Discount rate increase by 0.5%	(0.78)	(2.03)	(3.39)	(0.78)	(1.99)	(3.30)
Discount rate decrease by 0.5%	0.83	2.15	3.59	0.83	2.11	3.49
Annual salary cost increase by 0.5%	0.83	2.15	3.58	0.82	2.10	3.46
Annual salary cost decrease by 0.5%	(0.79)	(2.05)	(3.41)	(0.78)	(2.00)	(3.29)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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

(INR million)

Assumptions	As at March 31, 2023			As at March 31, 2022		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
Within the next 12 months [next annual reporting period]	4.15	25.65	16.94	4.32	24.45	24.58
Between 2 and 5 years	6.56	39.26	46.14	6.07	36.81	43.36
Between 6 and 10 years	13.35	31.05	59.65	10.28	26.29	45.87
Total expected payments	**24.06**	**95.96**	**122.73**	**20.67**	**87.55**	**113.81**

Note: 36 Related Party Transactions

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

a Key Managerial Personnel:

Mr. Arun Atrey	Managing Director and Chief Executive Officer (w.e.f. July 15, 2021)
Mr. Sushil Mehta	Non-Executive Independent Director (w.e.f. October 10, 2022)
Ms. Renuka Ramnath	Nominee Director
Ms. Swati	Company Secretary (w.e.f. October 14, 2021)

b Enterprises significantly influenced by Key Managerial Personnel:

Multiples Private Equity Fund III

Peoplestrong Technologies Private Limited

Tata Communications Limited

Zenex Animal Health India Private Limited Employee Group Gratuity Scheme

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

Sr No	Particulars	For the Year / Period Ended	Key Managerial Personnel	Enterprises significantly influenced by Key Managerial Personnel
1	Remuneration*			
	Short-term employee benefits	March 31, 2023	33.80	-
	Short-term employee benefits	March 31, 2022	18.77	-
2	Commission to Director	March 31, 2023	0.85	-
3	Reimbursement of Expenses	March 31, 2022	-	3.32
4	Services Availed	March 31, 2023	-	1.50
5	Contributions [including Employees' share and contribution]	March 31, 2023	-	11.65
		March 31, 2022	-	0.07
6	Purchase of property, plant and equipment and other intangible assets	March 31, 2023	-	6.06
7	Issue of Equity Share Capital (Including Securities Premium)	March 31, 2023	5.00	-
8	Commission Payable to Director	March 31, 2023	0.77	-
9	Other Current Assets	March 31, 2023	-	1.10

*The above remuneration does not include Provision for Leave Encashment and Gratuity as it is provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be identified.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 37 The details of foreign currency exposures those are not hedged by a derivative instrument or otherwise are as under:

(INR million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount	Foreign Currency	Amount	Foreign Currency
	INR million	(in million)	INR million	(in million)
Trade Payables	406.95	USD 4.95	71.95	USD 0.95
	-	-	0.12	EUR 0.0015
Cash and Cash Equivalents	5.80	USD 0.071	-	-
Trade Receivable	0.34	USD 0.004	27.27	USD 0.36
	-	-	5.83	EUR 0.07

(INR million)

Closing rates :	As at March 31, 2023	As at March 31, 2022
INR / USD (Buying Rate)	82.22	75.82
INR / EUR (Buying Rate)	89.61	83.92
INR / USD (Selling Rate)	81.72	75.77
INR / EUR (Selling Rate)	89.01	83.84

Note: 38 Financial Instruments

A Category-wise Classification of Financial Instruments:

(INR million)

Particulars	Note No.	As at March 31, 2023		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Trade Receivables	9	-	939.81	939.81
Cash and Cash Equivalents	10[A]	-	133.41	133.41
Bank Balance other than Cash and Cash Equivalents	10[B]	-	777.10	777.10
Investment	11	505.16	-	505.16
Other Financial Assets	6 & 12	-	26.49	26.49
Total financial assets		**505.16**	**1,876.81**	**2,381.97**
Financial liabilities				
Borrowings	16	-	3,587.50	3,587.50
Lease Liabilities	17	-	63.60	63.60
Other Financial Liabilities	18	-	72.78	72.78
Trade Payables	21	-	807.80	807.80
Total financial liabilities		**-**	**4,531.68**	**4,531.68**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

(INR million)

Particulars	Note No.	As at March 31, 2022		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Trade Receivables	9	-	805.82	805.82
Cash and Cash Equivalents	10[A]	-	110.95	110.95
Bank Balance other than Cash and Cash Equivalents	10[B]	-	167.10	167.10
Investment	11	175.21	-	175.21
Other Financial Assets	6 & 12	-	19.85	19.85
Total financial assets		**175.21**	1,103.72	**1,278.93**
Financial liabilities				
Borrowings	16	-	3,889.58	3,889.58
Other Financial Liabilities	18	-	75.48	75.48
Trade Payables	21	-	712.09	712.09
Total financial liabilities		**-**	**4,677.15**	**4,677.15**

B 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 : Inputs other than quoted prices included within Level 1 which are observable for the assets or liabilities, either directly or indirectly.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

C Financial assets and liabilities measured at fair value - recurring fair value measurements:

(INR million)

	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL:				
Investments in unquoted Mutual Funds measured at FVTPL *	-	505.16	-	505.16
Total Financial Assets	**-**	**505.16**	**-**	**505.16**
Financial liabilities	**-**	**-**	**-**	**-**

(INR million)

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL:				
Investments in unquoted Mutual Funds measured at FVTPL *	-	175.21	-	175.21
Total Financial Assets	**-**	**175.21**	**-**	**175.21**
Financial liabilities	**-**	**-**	**-**	**-**

* Investments in Unquoted Mutual Funds are valued based on declared NAV.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

D Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Note: 39 Financial Risk Management

The Company's activities expose it to liquidity risk, credit risk, foreign currency risk and interest rate risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

a. Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. The Company 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) 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.

ii) Trade Receivable: The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to credit losses is not significant.

iii) There are no significant credit risks with related parties of the Company. The Company is exposed to credit risk in the event of non payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments. No single third party customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2023.

iv) There are no single largest customer contributing more than 10% of total revenue of the Company.

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

As per Policy, receivables are classified into different buckets based on the overdue period ranging from 6 months - one year. There are different provisioning norms for each bucket which are ranging from 50% to 100%.

Movement of provision for doubtful debts:

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Provision	3.00	-
Add: Provided during the year / period	5.73	3.00
Less: Utilised during the year / period	2.89	-
Closing Provision	**5.84**	**3.00**

b. Liquidity risk

i) 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.

ii) Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Maturities of financial liabilities:

(INR million)

Particulars	As at March 31, 2023				
	< 1 year	1-2 year	2-3 year	> 3 years	Total
Borrowings	483.25	566.50	566.50	1,971.25	3,587.50
Interest on Borrowings	302.11	242.91	194.18	292.31	1,031.51
Lease Liabilities	8.90	9.34	9.81	66.65	94.70
Other Financial Liabilities	46.25	16.02	-	-	62.27
Trade Payables	807.80	-	-	-	807.80
	1,648.31	**834.77**	**770.49**	**2,330.21**	**5,583.78**

(INR million)

Particulars	As at March 31, 2022				
	< 1 year	1-2 year	2-3 year	> 3 years	Total
Borrowings	302.08	483.25	566.50	2,537.75	3,889.58
Interest on Borrowings	318.46	275.25	229.29	459.26	1,282.26
Other Financial Liabilities	52.98	11.77	-	-	64.75
Trade Payables	712.09	-	-	-	712.09
	1,385.61	**770.27**	**795.79**	**2,997.01**	**5,948.68**

c. Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Sensitivity:

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

(INR million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Movement in Rate	Impact on PAT/ Pre-tax Equity	Movement in Rate	Impact on PAT/ Pre-tax Equity
USD	1%	(4.01)	1%	(0.45)
USD	-1%	4.01	-1%	0.45
EURO	1%	-	1%	0.06
EURO	-1%	-	-1%	(0.06)

d. Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2023, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits are at fixed interest rates.

Sensitivity*:

Below is the sensitivity of profit or loss and equity changes in interest rates:

(INR million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Movement in Rate	Impact on PAT/ Pre-tax Equity	Movement in Rate	Impact on PAT/ Pre-tax Equity
Interest Rates	+0.50%	17.94	+0.50%	19.45
Interest Rates	-0.50%	(17.94)	-0.50%	(19.45)

* Holding all other variables constant

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 40 Capital Management

For the purposes of the company's capital management, capital includes issued capital and all other equity. The primary objective of the company's capital management is to maximize shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and bank balance & Investments in Mutual Fund) divided by total capital plus net debt.

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Borrowings	3,587.50	3,889.58
Less: Cash and bank balance & Investments in Mutual Fund	1,415.67	453.26
Net Debt (A)	2,171.83	3,436.32
Total Equity (B)	25,015.23	24,788.71
Total Equity and Net Debt (C = A + B)	27,187.06	28,225.03
Gearing ratio	8%	12%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing in the current period.

Note: 41 Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the period ended March 31, 2023. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

(INR million)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
i)	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting period.		
	Principal	47.64	37.89
	Interest	-	-
ii)	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	0.11	-
iii)	The 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 period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	0.14	0.11
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 42 Commitments [To The Extent Not Provided for]:

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Commitments:		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	1.54

Note: 43 Contingent Liabilities not provided for

(INR million)

Particulars	As at March 31, 2023	As at March 31, 2022
Custom Duty Liability, which may arise if obligation for exports is not fulfilled against import of raw materials.	0.12	-

Note: 44 Segment Information

The Company is primarily engaged in one business segment, as determined by chief operating decision maker, in accordance with Ind-AS 108 "Operating Segments" and accordingly segment information has not been provided.

Note: 45 Analytical Ratios

(INR million)

Sr No	Particulars	Formula	As at March 31, 2023	As at March 31, 2022	% Variance
1	Current ratio	Current Assets / Current Liabilities	2.23	1.88	19%
2	Debt-equity ratio	Total Debts / Shareholder's Equity	0.14	0.16	-9%
3	Debt service coverage ratio	Earnings available for debt service / Debt Service	2.74	3.22	-15%
4	Return on equity ratio (in %)[a]	Net Profit after taxes and before exceptional items / Average Shareholder's Equity	0.77%	0.42%	82%
5	Inventory turnover ratio[b]	Sales / Average Inventory	6.89	5.03	37%
6	Trade receivables turnover ratio[c]	Net Credit Sales / Avg. Accounts Receivable	7.95	6.17	29%
7	Trade payables turnover ratio	Net Credit Purchases / Average Trade Payables	5.26	4.73	11%
8	Net capital turnover ratio	Net Sales / Working Capital	3.71	4.61	-20%
9	Net profit ratio (in %)	Net Profit after taxes and before exceptional items / Net Sales	2.58%	2.11%	23%
10	Return on capital employed (in %)	Earning before interest and taxes / Capital Employed	21.22%	20.57%	3%
11	Return on investment (in %)	Income from Investing activities / Average Investments	5.83%	6.41%	-9%

a) **Return on equity ratio (in %)** increased due to higher net profit in the current financial year as last year operations were started from July 14, 2021.

b) **Inventory turnover ratio** increased due to higher sales in the current financial year as last year operations were started from July 14, 2021.

c) **Trade receivables turnover ratio** increased due to higher sales in the current financial year as last year operations were started from July 14, 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

Note: 46 Business Combinations

a) During the previous period, the Company entered into a Business Transfer Agreement (“BTA”) and other Ancillary Agreements [together “Definitive Agreements”] to purchase Animal Healthcare business (the "Business") in India and certain other countries from Zydus Animal Health and Investments Limited , by way of a slump sale, without values being assigned to the individual assets and liabilities, on a debt free and cash free basis. The effective date of business combination is July 14, 2021.

The Acquisition of the Animal Healthcare business in India would provide an opportuinity to enter into and to expand the business of Animal Healthcare by making strategic choices including entering into partnerships/ alliances and also by leveraging its existing product portfolio and manufacturing facilities for global expansion.

The details of the assets and liabilities acquired and consideration paid are given below :

b) Fair Value of the Consideration Transferred & the Net assets acquired:

As per Ind AS 103 – Business Combinations, purchase consideration has been allocated on the basis of fair valuation determined by an independent valuer and as per the Purchase Price Allocation report obtained from third party. Costs related to acquisition (including stamp duty on assets transferred) have been charged to Statement of Profit and Loss on the acquisition date.

(INR million)

Particulars	As at March 31, 2022
Assets & Liabilities Acquired	
Assets	
Property, Plant & Equipments	225.67
Intangible Assets	
Brands / Trademarks	18,799.60
Distribution Network	1,718.90
Distribution Rights/ Contractual Relationship with Phibro	1,086.40
Inventories	881.47
Trade Receivables	712.54
Other Financial Assets	11.86
Other Non Financial Assets	53.96
Total Assets (A)	**23,490.40**
Provisions	216.96
Trade Payables	472.98
Other Financial Liabilities	43.99
Total Liabilities (B)	**733.93**
Total Fair value of Net Assets Acquired (C = A - B)	**22,756.47**

c) Amount Recognised as goodwill

(INR million)

Particulars	As at March 31, 2022
Fair value of Consideration Transferred (Bank Payment)	28,982.70
Less : Fair value of Net Assets Acquired	22,756.47
Goodwill recongnised	6,226.23
Deferred Tax Liability created on account of Business Combination Transaction	706.09
Goodwill Recognised	**6,932.32**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

d) Acquisition related costs (Exceptional Items)

The Acquisition Related Cost including, legal, valuation, consultancy, administrative and stamp duty expenses incurred for transfer of the Business amounting to INR 390.38 million has been charged to the Statement of Profit and Loss as exceptional items.

e) Revenue and profit & (loss) for the combined entity as on July 14, 2021, If the Business combination had taken place on April 01, 2021

(INR million)

Particulars	Zenex Animal Health India Private limited	Zydus Animal Health and Investments Limited - AHESTM	Combined Entity
Revenue from Operations	4,980.44	1,740.00	6,720.44
(Loss) / Profit After Tax (PAT)	(285.50)	352.00	66.50
	4,694.94	**2,092.00**	**6,786.94**

The Company is incorporated on March 09, 2021, and accordingly, the beginning of the financial year of the Company is March 09, 2021. The Separate sales information and the profit after tax information of the acquired business is not seperately available from the period from March 09, 2021 to March 31, 2021 and accordingly disclosures for revenue and profit after tax of the acquired business have been made from April 01, 2021.

Note: 47 Specific Disclosures as per Schedule III amendments dated March 24, 2021

a) Loans and Advances in the nature of Loans to Promoters, Directors, KMPs and the related parties

There are no loans or advances given to Promoters, Directors, KMPs and the related parties during the period ended on March 31, 2023 and no balance outstanding as at March 31, 2023.

b) Details of Benami Property held

The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

c) Relationship with Struck off Companies

The Company does not have any transactions with companies struck off.

d) Revaluation of Property, Plant And Equipment and Intangible Assets

The Company has not done revaluation of PP&E / Intangible assets.

e) Utilization Of Borrowed Funds and Share Premium

The Company has utilised the proceeds from the borrowings from Banks for the specific purpose for which it was taken. There is no unutilised balance as at balance sheet date.

f) Undisclosed Income

The Company does not have any such trasaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

g) Details Of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the period ended on March 31, 2023.

h) Registration Of Charges or Satisfaction With Registrar Of Companies

The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

i) Compliance with Number Of Layers Of Companies

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

j) Statement of Current Assets filed with Banks

The statement of current assets filed by the Company with the Banks are in agreement with the books of accounts.

k) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

l) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Event occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 25, 2023, there were no subsequent events to be recognised or reported that are not already disclosed.

Note: 48 Share Based Payments (IND AS 102)

The Company has granted 2,59,45,000 options to its eligible employees in various ESOS Schemes, details are as under:

(A)Employee Stock Option Scheme (ESOS 2021)

	Grant Date	Vesting Date		
	14-03-2022	14-03-2025	14-03-2026	14-03-2027
	Stock Options	Stock Options	Stock Options	Stock Options
No. of Options	25,945,000			
Vesting Plan		Graded Vesting - At the end of 36 month from the date of grant - 30% of total number of options granted	Graded Vesting - At the end of 48 month from the date of grant - 30% of total number of options granted	Graded Vesting - At the end of 60 month from the date of grant - 40% of total number of options granted
Exercise Period	3 years	3 years	3 years	3 years
Exercise Price (INR Per Share)	10	10	10	10
Fair Value on the Grant Date of Option (INR Per Option)	4	4	4	4
Method of Settlement	Equity	Equity	Equity	Equity

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

(B) Movement of Stock Options Granted

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	25,945,000	Nil
Granted during the year	Nil	25,945,000
Exercise during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Outstanding at the end of the year	25,945,000	25,945,000

(C) Fair Valuation

2,59,45,000 share options were granted during the previous year. Fair value of the options granted during the year is ₹ 4 per share.The fair value of option has been done by an independent registered valuer on the date of grant using the Black-Scholes Model.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

(i) Risk Free Rate : 5.76%

(ii) Option Life : Vesting Period (5years) + Exercise Period (3 years)

(iii) Expected Volatility* : 35.62%

(iv) Dividend Yield : -

(v) Weighted Average life of the option : 5.55 years

* Expected Volatility is based on the volatility of comparable companies in Healthcare Products Industry.

The accompanying notes form an integral part of the financial statements
As per our report of even date

For **KKC & Associates LLP (formerly "Khimji Kunverji & Co LLP")**
Chartered Accountants
Firm Reg. No. - (105146W/ W100621)

Kamlesh R Jagetia
Partner
ICAI Membership No: 139585

Place : Mumbai
Date : May 26, 2023

For and on behalf of the Board of Directors

Dr. Arun Atrey
MD & CEO
DIN : 00032249
Place: Ahmedabad

Manish Gaur
Director
DIN : 00340911
Place: Mumbai

Vishal Shah
Chief Financial Officer
Place: Ahmedabad
Date : May 25, 2023

Swati
Company Secretary
Place: Ahmedabad

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