

**Zydus
Wellness**

ANNUAL REPORT
2014-15

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Safe Harbour Statement

In this Annual Report we have disclosed forward-looking information [within the meaning of various laws] to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements—written and oral—that we periodically make, contain forward-looking statements that set out anticipated results based on the Management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Information

BOARD OF DIRECTORS	<p>Pankaj R. Patel Chairman [upto 14th July, 2014]</p> <p>Dr. Sharvil P. Patel Chairman [became Chairman w.e.f. 14th July, 2014]</p> <p>Elkana N. Ezekiel Managing Director [upto 14th April, 2015]</p> <p>Tarun G. Arora Whole Time Director [w.e.f. 14th May, 2015]</p>	STATUTORY AUDITOR	M/s. Dhirubhai Shah & Doshi Chartered Accountants
DIRECTORS	<p>H. Dhanrajgir Dr. B. M. Hegde Prof. Indiraben J. Parikh Ganesh N. Nayak Mukesh M. Patel [upto 14th May, 2014]</p>	COST AUDITOR	M/s. Dalwadi & Associates Cost Accountants
CHIEF FINANCIAL OFFICER	Amit B. Jain	SECRETARIAL AUDITOR	M/s. Hitesh Buch & Associates Practicing Company Secretary
COMPANY SECRETARY	Dhaval N. Soni	REGISTERED OFFICE	House No. 6 & 7, Sigma Commerce Zone, Nr. Iscon Temple, Sarkhej-Gandhinagar Highway, Ahmedabad - 380 015. www.zyduswellness.in
BANKERS	<p>Bank of Baroda Ashram Road Branch, Ahmedabad.</p> <p>HDFC Bank Ltd. Navrangpura Branch, Ahmedabad.</p> <p>BNP Paribas Ellisbridge Branch, Ahmedabad.</p>	REGISTRAR & SHARE TRANSFER AGENT	M/s. Link Intime India Private Limited Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, B/h. Shoppers Plaza - II, Off C. G. Road, Ahmedabad-380 009.
		WORKS	7A, 7B & 8, Saket Industrial Estate, Sarkhej Bavla Road, Village: Moraiya, Taluka: Sanand, District: Ahmedabad.

CIN L15201GJ1994PLC023490

Notice

NOTICE is hereby given that the **21st** Annual General Meeting of the members of **Zydus Wellness Limited** will be held on Wednesday, the 29th day of July, 2015 at 10.00 a.m. at J B Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at and the Statement of Profit and Loss of the Company [including consolidated Balance Sheet and Statement of Profit and Loss] for the year ended on 31st March, 2015 together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Dr. Sharvil P. Patel [DIN 00131995], who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. Dhirubhai Shah & Doshi, Chartered Accountants [Firm Registration No. 102511W] as Statutory Auditor of the Company to hold office from the conclusion of 21st Annual General Meeting until the conclusion of 26th Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To appoint Mr. Tarun Arora as a Director liable to retire by rotation:

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

“RESOLVED THAT Mr. Tarun Arora [DIN 07185311], who was appointed by the Board of Directors as an Additional Director on the Board of the Company w.e.f. 14th May, 2015 and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 [“the Act”] and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act together with a deposit of Rs. 1,00,000/- in cash proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

6. To appoint Mr. Tarun Arora as a Whole-Time Director:

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

“RESOLVED THAT pursuant to the provisions of sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [“the Act”] [including any statutory modifications or re-enactments thereof, for the time being in force] and the Articles of Association of the Company, consent of the members be and is hereby accorded to appoint Mr. Tarun Arora as a Whole Time Director of the Company for a period of five years with effect from 14th May, 2015 on a remuneration as may be recommended by the Nomination and Remuneration Committee based on his performance evaluation and as approved by the Board of Directors, which shall be within the overall limits prescribed under the provisions of the Act from time to time, out of the profits of the Company of the respective financial year as calculated under the provisions of sections 197 and 198 of the Act in any financial year and on the terms and conditions, benefits and perquisites, as set out in the draft agreement proposed to be entered into between the Company and Mr. Tarun Arora with an authority to the Board of Directors to finalize and execute it.

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained hereinabove, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites shall not exceed the aggregate of the annual remuneration as

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provided above or maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Act, whichever is lower as the Minimum Remuneration, unless otherwise determined by the Nomination and Remuneration Committee and the Board of Directors.

RESOLVED FURTHER THAT in case of no profits or if profits of the company in any financial year is inadequate, in addition to the above, the Whole Time Director shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration stated hereinabove:

- (a) Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961,
- (b) Gratuity payable at the rate not exceeding half a month's salary for each completed years of service and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Tarun Arora shall be liable to retire by rotation and his terms and conditions of the appointment, including remuneration shall be governed as per the Agreement to be entered into for a period of five years.

LASTLY RESOLVED THAT for the purpose of giving effect to this resolution, Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company."

7. To approve Commission to Non-Executive Directors:

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

"RESOLVED THAT pursuant to the provisions of sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder and Articles of Association of the Company, consent of the Members be and is hereby accorded to the payment of commission for a period of five years commencing from 1st April, 2015 to the Non-Executive Directors of the Company as may be decided by the Board of Directors from time to time, provided that the total commission payable to the Non-Executive Directors per annum shall not exceed 1% of the net profits of the Company, subject to maximum of Rs. 100 lacs in aggregate calculated in accordance with the provisions of section 198 the Act, with an authority to the Board of Directors to determine the manner and proportion in which the amount be distributed among Non-Executive Directors."

8. To ratify remuneration to Cost Auditor:

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

"RESOLVED THAT pursuant to provisions of section 148[3] and other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Cost Records and Audit] Amendment Rules, 2014, the consent of the Members be and is hereby accorded to ratify the remuneration decided by the Board of Directors based on the recommendation of the Audit Committee of Rs. 1.80 lacs to M/s. Dalwadi & Associates, Cost Accountants [Firm Registration No. 000338] appointed by the Board of Directors to conduct the audit of cost records pertaining to product 'Nutralite' manufactured by the Company for the financial year ending on 31st March, 2016."

By order of the Board of Directors

Place : Ahmedabad
Date : 14th May, 2015

Dhaval N. Soni
Company Secretary

Notice

NOTES:

1. The Explanatory Statements, pursuant to provisions of section 102 of the Companies Act, 2013 [“the Act”] and rules made thereunder, in respect of business under item Nos. 5 to 8 of the Notice are annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from Monday, 20th July, 2015 to Wednesday, 29th July, 2015 [both days inclusive] for the purpose of 21st Annual General Meeting [the meeting] and payment of dividend, if declared at the meeting.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 [fifty] and holding in aggregate not more than ten per cent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any such other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting i.e. by 10.00 a.m. on Monday, 27th July, 2015. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

4. Corporate members intending to send their authorized representatives to attend the meeting pursuant to section 113 of the Act are requested to send the Company a certified copy of Board Resolution / Authorization together with specimen signatures authorizing their representative to attend and vote on their behalf at the meeting.
5. Those members who have not encashed their dividend warrants pertaining to the following financial years are requested to approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund [IEPF] on the respective dates mentioned there against, pursuant to provisions of section 205[C] of the Companies Act, 1956 and provisions of section 125 of the Act, when notified by the Central Government and rules proposed to be prescribed by the Central Government. Members are requested to note that after such dates, the members will lose their rights to claim such dividend, unless the provisions of section 125 of the Act and rules are notified by the Central Government.

Financial Year ended on	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unclaimed dividend to IEPF
31 st March, 2009	28 th July, 2009	15	31 st July, 2016
31 st March, 2010	16 th July, 2010	30	19 th July, 2017
31 st March, 2011	30 th June, 2011	40	3 rd July, 2018
31 st March, 2012	27 th July, 2012	50	31 st July, 2019
31 st March, 2013	23 rd May, 2013	60 @	17 th May, 2020
31 st March, 2014	14 th July, 2014	60	19 th July, 2021

@ Interim Dividend

Notice

Pursuant to the IEPF [Uploading of information regarding unpaid and unclaimed amount lying with Companies] Rules, 2012 [IEPF Rules], the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the 20th Annual General Meeting held on 14th July, 2014 on its website—www.zyduswellness.in and also on the website of Ministry of Corporate Affairs—www.mca.gov.in.

6. Members holding shares in demat form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service [NECS], Electronic Clearing Services [ECS] mandates, nominations, power of attorneys, change in address, change of name, email address, contact numbers, etc. to their Depository Participant [DP]. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Private Limited, Registrar and Transfer Agents of the Company.
7. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/reappointment at the Meeting is annexed to the Notice as **Annexure–A**.
8. Notice of the Meeting of the Company, *inter alia*, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members, whose email ids are registered with the Company and Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Meeting is being sent through permitted mode.
9. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Circulars, etc. from the Company electronically.**

Members may also note that the Notice of the Meeting and the Annual Report will also be available on the Company's website www.zyduswellness.in for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection at any time between 10:00 a.m. to 1:00 p.m. on any working day upto the date of Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id investor.grievance@zyduswellness.in.

10. **Voting through electronic means:**

In compliance with provisions of section 108 of the Act and Rule 20 of The Companies [Management and Administration] Rules, 2014 and clause 35B of the Listing Agreement, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited [CDSL] to facilitate e-voting. The detailed process, instructions and manner for availing e-Voting facility is annexed to the Notice as **Annexure–B**.

11. Mr. Dhirajlal D. Sanghavi, Practicing Company Secretary [Membership No. FCS 3229] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
12. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
13. Members can opt for only one mode of voting i.e. either by e-voting or poll paper. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid.

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14. The e-voting period commences on Saturday, 25th July, 2015 [9:00 a.m.] and ends on Tuesday, 28th July, 2015 [5:00 p.m.]. During this period, Members holding shares either in physical form or demat form, as on 22nd July, 2015 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
15. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.
16. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.
17. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.
18. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.zyduswellness.in and on the website of CDSL www.evotingindia.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited [BSE] and National Stock Exchange of India [NSE], where the equity shares of the Company are listed.

REQUEST TO THE MEMBERS:

1. Members desiring any relevant information on the accounts at the Meeting are requested to write to the Company at least seven days in advance of the date of Meeting at its Registered Office, so as to enable the company to keep the information ready.
2. Members are requested to bring their copy of the Annual Report to the Meeting.