



July 19, 2024

Listing Department
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai-400 051

Re: **Annual General Meeting and Annual Report 2023-2024**

Dear Sir / Madam,

The Sixth Annual General Meeting (“**AGM**”) of the Company will be held on Tuesday, August 13, 2024 at 10:00 a.m. at the registered office of the Company.

Pursuant to regulation 53(2) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **Listing Regulations**”), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the Financial Year ended on March 31, 2024.

Please receive the same in order.

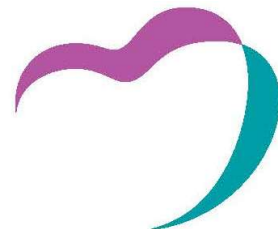
Thanking you,

Yours faithfully,
For, **ZYDUS FOUNDATION**

DHWANI TRIVEDI
COMPANY SECRETARY

Encl.: As above

Zydus Foundation
(A wholly owned subsidiary of Zydus Lifesciences Limited)
Registered Office :
Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad-382481
CIN : U85300GJ2019NPL105919
Phone No. : 079 – 48040000 Website : www.zydusfoundation.com



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NOTICE

NOTICE is hereby given that the **Sixth** Annual General Meeting of the Company will be held on Tuesday, August 13, 2024 at 10:00 a.m. at the registered office of the Company situated at Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad-382481, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on March 31, 2024 along with the report of the Board of Directors and Auditors thereon.
2. To re-appoint Mrs. Sujatha Rajesh (DIN: 08071096) who retires by rotation and being eligible, offers herself for re-appointment.
3. **To re-appoint Statutory Auditors:**

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

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Mukesh M. Shah & Co., Chartered Accountants, ICAI Firm Registration No. 106625W, be and are hereby re-appointed as the Statutory Auditors of the Company, for a period of 5 (five) consecutive years, who shall hold office from conclusion of Sixth Annual General Meeting till conclusion of Eleventh Annual General Meeting to be held in the financial year 2029-30 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

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

Special Business:

4. **Appointment of Mrs. Meha S. Patel (DIN: 00491120) as a Non-Executive Director of the Company:**

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

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"RESOLVED THAT pursuant to the provisions of sections 149 and 152 of the Companies Act, 2013 ("the **Act**") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Meha S. Patel (DIN: 00491120), who was appointed by the Board of Directors as an Additional Director w.e.f. January 4, 2024 pursuant to the provisions of section 161(1) of the Act and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

By order of the Board of Directors

Dhwani Trivedi
Company Secretary
Membership No. ACS46809

Place: Ahmedabad

Date: May 2, 2024

NOTE:

1. The Explanatory Statements, pursuant to the provisions of section 102 of the Companies Act, 2013 and rules made thereunder, in respect of the businesses under item no. 3 to 4 of the Notice is annexed hereto.
2. **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 MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company.

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. 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.

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Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013:

The following statement sets out all material facts relating to the businesses under item no. 3 & 4 of the accompanying Notice dated May 2, 2024.

ITEM NO. 3:

Mukesh M. Shah & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the First Annual General Meeting held on October 31, 2019 for a period of 5 (five) years, up to the conclusion of Sixth Annual General Meeting. Mukesh M. Shah & Co. are eligible for re-appointment for a further period of 5 (five) years. Mukesh M. Shah & Co. have given their consent for their re-appointment as Statutory Auditors of the Company and have issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of section 139 of the Companies Act, 2013 ("the **Act**") and the rules made thereunder. Mukesh M. Shah & Co. have confirmed that they are eligible for the proposed re-appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. Mukesh M. Shah & Co. have reported their independence from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India and the ethical requirements relevant to audit. Based on the recommendation of Board of Directors ("the **Board**"), it is hereby proposed to re-appoint Mukesh M. Shah & Co., having registration No. 106625W, as the Statutory Auditors of the Company, for a further period of 5 (five) consecutive years, who shall hold office from the conclusion of this Sixth Annual General Meeting till the conclusion of Eleventh Annual General Meeting of the Company to be held in the financial year 2029-30. The remuneration proposed to be paid to the Statutory Auditors shall be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the members by way of an Ordinary Resolution.

ITEM NO. 4:

The Board of Directors of the Company in their meeting held on January 4, 2024 appointed Mrs. Meha S. Patel (DIN: 00491120) as an Additional Director on the Board of the Company with effect from January 4, 2024 who holds office of Director upto the ensuing Annual General Meeting.

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Mrs. Meha S. Patel, aged 42 years, is an entrepreneur with diverse interests. With a background in textile design technology from University of Arts, London, UK, she promotes local artisans and artists. As a social change catalyst, she heads Zydus Foundation, the CSR arm of the Zydus Group. She firmly believes that sustainable livelihoods, women empowerment, education, health and sanitation programmes can bring about transformation at the grassroot level. She is on the Board of several educational institutions and is associated with social change programmes in Gujarat and Maharashtra.

The Company has received notice in writing from a member under section 160 of the Act proposing her candidature for the office of Director and is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given her consent to act as a Director.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Meha S. Patel.

The Board recommends the resolution to the members for approval by way of an Ordinary Resolution for the appointment of Mrs. Meha S. Patel as a Non-Executive Director of the Company liable to retire by rotation.

None of the Directors and Key Managerial Personnel and their relatives, save and except Mrs. Meha S. Patel, her husband Dr. Sharvil P. Patel and her father-in-law Mr. Pankaj R. Patel and their relatives are concerned or interested in the passing of the said resolution.

By order of the Board of Directors

Dhwani Trivedi
Company Secretary
Membership No. ACS46809

Place: Ahmedabad

Date: May 2, 2024

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ATTENDANCE SLIP

ZYDUS FOUNDATION

ATTENDANCE SLIP

[CIN: U85300GJ2019NPL105919]

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SIXTH ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the Sixth Annual General Meeting of the Company on Tuesday, August 13, 2024 at 10:00 a.m. at the Registered Office situated at Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad-382481.

.....
Member's Folio No.

.....
Member's/Proxy's Name

.....
Member's/Proxy's Signature

Note:

1. Please complete the Folio No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Physical copy of the Annual Report for 2024 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members.

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ZYDUS FOUNDATION

PROXY FORM

[**CIN:** U85300GJ2019NPL105919]

Regd. Office: Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar),
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Name of the member (s):

Registered address:

E-mail Id:

Folio No.

I/We being the member(s) holding shares of the above named Company hereby
appoint:

(1) Name:.....

Address:.....

E-mail ID:..... Signature:.....or
falling him/her;

(2) Name:.....

Address:.....

E-mail ID:..... Signature:.....or
falling him/her;

(3) Name:.....

Address:.....

E-mail ID:..... Signature:.....;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf on Tuesday,
August 13, 2024 at 10:00 a.m. at the Registered Office situated at Zydus Corporate Park,
Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway,
Ahmedabad-382481 and at any adjournment thereof.

Signed this day of 2024

Signature of shareholder

Signature of Proxy holder(s)

ZYDUS FOUNDATION

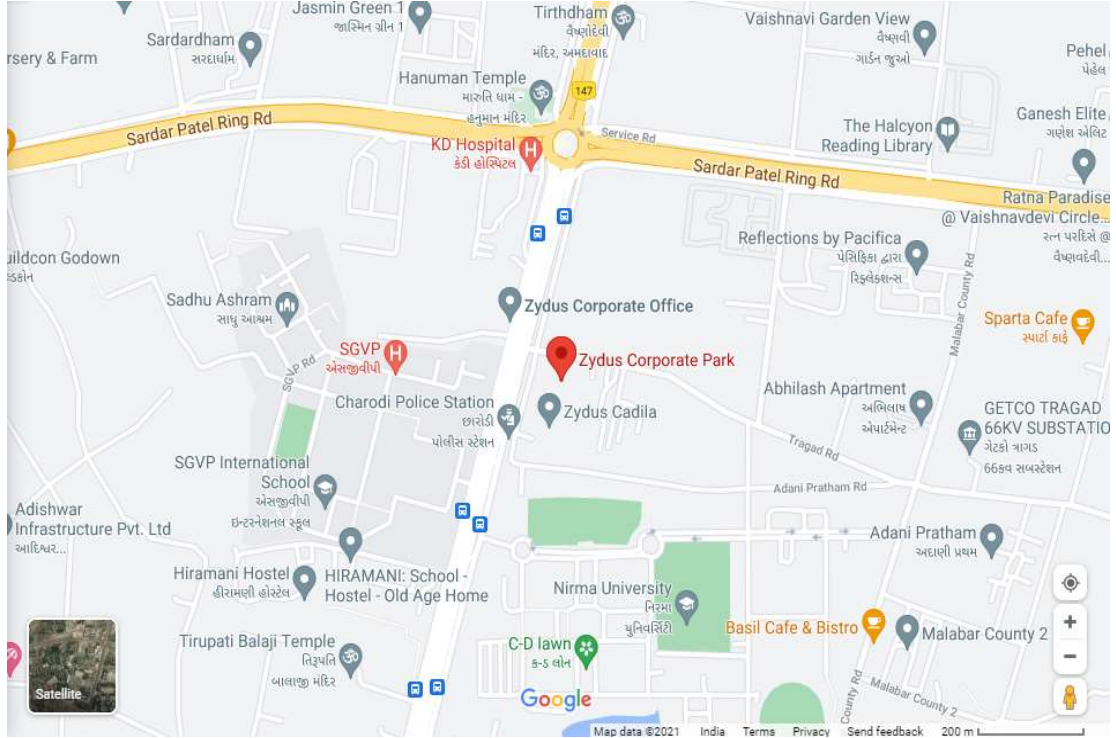
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Route Map of AGM Venue



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Board’s Report

Your Directors are pleased to present the Sixth Annual Report and the Audited Financial Statements for the Financial Year ended on March 31, 2024.

Financial Results:

(Rs. in Lakh)		
Particulars	2023-24	2022-23
Total Income	13,174	11,981
Less: Total Expenditure	(12,701)	(10,476)
Surplus before Tax	473	1,505
Tax Expenses	-	-
Surplus for the year	473	1,505

Operations of the Company:

Under the Public Private Partnership (PPP) model with Government of Gujarat, the Company has set up Zydus Medical College and Hospital (“**ZMCH**”) in 2017, a 1034 bed multi-specialty, state-of-the-art hospital in Dahod, Gujarat to provide healthcare services free of cost to under-privileged patients from tribal and notified backward areas of Gujarat and the neighbouring states of Madhya Pradesh and Rajasthan.

The Zydus Medical College, the district’s first medical college offers 200 seats for MBBS course and 78 seats for Post-graduation courses. The first batch of MBBS commenced in 2018 and was issued Certificate of Merit upon completion of course during the year under review.

Besides the tertiary care and medical services in 14 disciplines that it currently offers, Zydus Medical Hospital has added Super Specialty services such as Neurosurgery, Urology and Nephrology during the year under review and will add Cardiac service soon.

Since establishment, ZMCH has served approximately 19.43 lakhs OPD patients and 2.14 lakhs IPD patients.

Holding Company:

The Company is a wholly owned subsidiary of Zydus Lifesciences Limited, a flagship company of Zydus Group of companies.

Early Partial Redemption of Debentures:

The Company has issued and allotted 1,850 (One Thousand Eight Hundred Fifty) 0.1% Unsecured, Listed, Rated, Redeemable, Non-Convertible Debentures (“**NCDs**”) of Rs. 10,00,000/- (Rupees Ten Lakh only) each aggregating to Rs. 185,00,00,000/- (Rupees One

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Hundred Eight Five Crores only) to Recon Pharmaceuticals and Investments, a Partnership Firm (“**Recon**”) in March, 2020 which are listed on Wholesale Debt Segment of The National Stock Exchange of India Limited (“**NSE**”).

1,450 NCDs were outstanding as on April 1, 2023. During the year under review, Company has made early partial redemption of the said NCDs, as per the details provided in below table.

Sr. No.	Record Date	Date of Redemption	No. of NCDs redeemed	No. of NCDs outstanding post redemption
1	January 5, 2024	January 8, 2024	450 *	1,000
2	March 15, 2024	March 26, 2024	100 **	900

* Interest has been paid from the last date of payment of interest made i.e. March 24, 2023 to January 8, 2024.

** Interest has been paid from the last date of payment of interest made i.e. March 24, 2023 to March 26, 2024.

The Company has made necessary disclosures pertaining to early partial redemption of NCDs to the NSE.

900 (Nine Hundred) NCDs of Rs. 10,00,000/- (Rupees Ten Lakh only) each aggregating to Rs. 90,00,00,000/- (Rupees Ninety Crores only) are outstanding as on March 31, 2024.

Debenture Trustee:

Details of Debenture Trustee for the above mentioned NCDs are as under:

IDBI Trusteeship Services Limited

Address: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001,
Phone No. +91-22-40807000| Fax: +91-22-66311776,

Email id: itsl@idbitrustee.com, Website: idbitrustee.com

Amendment to Articles of Association of the Company:

Pursuant to Regulation 23(6) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“**NCS Regulations**”), an issuer which is a company under the Companies Act, 2013, shall ensure that its Articles of Association (“**AOA**”) require its Board of Directors to appoint the person nominated by the debenture trustee in terms of clause (e) of sub-regulation (1) of regulation 15 of the SEBI (Debenture Trustees) Regulations, 1993, as Director on its Board of Directors. Further, as per the SEBI (Debenture Trustee) Regulations, 1993 (“**Debenture Trustee Regulations**”), it is the duty of every debenture trustee to appoint a nominee director on the Board of Directors of an issuer in case of (i) 2 (two) consecutive defaults in payment of interest, (ii) default in security creation for the debentures or (iii) default in redemption of debentures.

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In order to comply with the said requirement, Company is required to substitute entire existing Article 50 of the Articles of Association of the Company with the new Article 50 empowering the Board of Directors to appoint the person nominated by the debenture trustee in terms of clause (e) of sub-regulation (1) of regulation 15 of the SEBI (Debenture Trustees) Regulations, 1993, as Director on the Board of the Company.

Further, being a section 8 Company, the Company is required to obtain prior approval of Central Government (powers delegated to Registrar of Companies vide notification dated May 21, 2014) to amend the AOA. Accordingly, the Company has made an application for obtaining prior approval of Registrar of Companies, Gujarat for amendment of Article 50 of AOA.

Directors:

During the year under review, Mrs. Meha S. Patel (DIN: 00491120) was appointed as an Additional Director (Non-Executive) w.e.f. January 4, 2024 and designated as Vice-Chairperson of the Company liable to retire by rotation.

In accordance with the provisions of section 152(6) of the Companies Act, 2013 ("the **Act**") read with the Articles of Association of the Company, Mrs. Sujatha Rajesh (DIN: 08071096) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The Board recommends the re-appointment of Mrs. Sujatha Rajesh and appointment of Mrs. Meha S. Patel as Directors liable to retire by rotation for approval of members.

Key Managerial Personnel ("KMP"):

As at March 31, 2024, Mrs. Dhvani Trivedi, Company Secretary, was the KMP of the Company.

Deposits:

During the year under review, the Company has not accepted any fixed deposit from the public or from its members.

Related Party Transactions:

All contracts / arrangements / transactions entered by the Company during the financial year ended on March 31, 2024 with related parties were in the ordinary course of business and on an arm's length basis. There is no material transaction with related parties entered into by the Company during the year, which requires disclosure of particulars thereof as provided under section 134(3)(h) of the Act and Rules made thereunder.

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Directors' Responsibility Statement:

In terms of section 134(3)(c) of the Act and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (b) such accounting policies have been selected and applied them consistently and 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 on March 31, 2024 and of the income and expenditure of the Company for that period;
- (c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,
- (d) the annual financial statements have been prepared on going concern basis,
- (e) proper internal financial controls are in place and that the financial controls are adequate and operating effectively and
- (f) the systems to ensure compliance with the provisions of all applicable laws were in place and are adequate and operating effectively.

Board meetings:

During the year, 7 (seven) Board meetings were held on May 30, 2023, August 7, 2023, November 2, 2023, December 26, 2023, January 4, 2024, February 12, 2024 and March 12, 2024. The intervening gap between the 2 (two) meetings was within the period prescribed under the Act.

Attendance of directors at the Board meetings are as under.

Name of the Director	No. of Board meetings held	No. of Board meetings attended
Mr. Pankaj R. Patel	7	6
Dr. Sharvil P. Patel		6
Mr. Jyotindra B. Gor		7
Mrs. Sujatha Rajesh		7
Mrs. Meha S. Patel		2

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Statutory Auditors and their Report:

Mukesh M. Shah & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 106625W) were appointed as the first Statutory Auditors of the Company, for a period of 5 (five) years from the conclusion of First Annual General Meeting ("**AGM**") till the conclusion of Sixth AGM. Their term shall expire after the ensuing AGM.

The Board at their meeting held on May 2, 2024 recommended the re-appointment of Mukesh M. Shah & Co. as the Statutory Auditors of the Company for the second term of 5 (five) consecutive years from the conclusion of Sixth AGM till the conclusion of Eleventh AGM to be held in the financial year 2029-30 with an authority to the Board to decide the remuneration payable to them. Re-appointment of Mukesh M. Shah & Co. is subject to approval of members at the ensuing AGM. Necessary agenda item, resolution and statutory details are provided in the Notice of AGM.

Mukesh M. Shah & Co. have furnished a declaration confirming their independence as well as their arm's length relationship with the Company.

The Board has duly reviewed the Statutory Auditor's Report on the Financial Statements of the Company for the year ended on March 31, 2024. The observations and comments, appearing in the Auditor's Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

Secretarial Auditor and Secretarial Audit Report:

Pursuant to the provisions of the Act, the Company is not considered as a listed company, because only the NCDs of the Company are listed on the whole sale debt segment of NSE. The equity shares of the Company are not listed on any stock exchanges.

As the Company is not a listed company as per the provisions of the Act, Secretarial Audit is not mandatory and in view of the same, appointment of Secretarial Auditor is not applicable to the Company.

Corporate Social Responsibility (CSR):

As per provisions of section 135 of the Companies Act, 2013 ("**Act**") and the rules made there-under, every company having net worth of rupees five hundred crore or more or turnover of rupees one thousand crore or more or net profit of rupees five crore or more during the immediately preceding financial year is required to spend at least two percent of the average net profit of the company made during the three immediately preceding financial years.

Since, the net profit of the Company was more than rupees five crore during the immediately preceding financial year, Company was required to spend an amount of Rs. 0.47/- (Rupees

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Forty Seven Thousands only) towards CSR during the financial year 2023-24. However, Company was not required to constitute CSR Committee pursuant to provisions of section 135(9) of the act as the contribution towards CSR was less than Rs. 50 lakhs (Rupees Fifty Lakhs only).

The details of the CSR activities as required under section 135 of the act are given in the CSR Report as **Annexure – A**.

Reporting of Frauds:

There have been no instances of fraud reported by the Statutory Auditors under section 143(12) of the Act and the Rules framed thereunder either to the Company or to the Central Government.

Particulars of Loans, Guarantees or Investments:

The Company has not granted any loan and/or guarantee to any party nor has made any investment. Hence, disclosure of the particulars thereof as required under section 186 of the Act are not required to be disclosed.

Internal control systems and its adequacy:

As the Company is not considered as a listed company (as only NCDs are listed and not the equity shares), the provisions of section 134(5)(e) of the Act pertaining to internal control system and its adequacy are not applicable to the Company and hence details thereof are not furnished in this report.

Annual Return:

As per the provisions of section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 in the prescribed Form No. MGT-7 is available on the website of the Company www.zydusfoundation.com.

Secretarial Standards:

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India for the meetings of the Board of Directors and the General Meetings.

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, are not required to be disclosed separately, as the same is not applicable to the Company.

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General Disclosures:

Your Directors state that the Company has made disclosures in this report, the items prescribed in section 134(3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 to the extent the transactions took place on those items during the year.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Particulars of Employees:

No employee of the Company was in receipt of remuneration in excess of the amount specified in section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the year under review.

As the Company is not considered as a listed company (as only NCDs are listed and not the equity shares), the provisions of section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to disclosure of remuneration related details of the employees are not applicable to the Company and hence details thereof are not furnished in this report.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

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 2023-24, the Company has not received any complaint of sexual harassment.

Vigil Mechanism / Whistle Blower Policy:

As the Company is not considered as a listed company (as only NCDs are listed and not the equity shares), the provisions of section 177(9) of the Act pertaining to vigil mechanism for

ZYDUS FOUNDATION

(a wholly owned subsidiary of Zydus Lifesciences Limited)

CIN: U85300GJ2019NPL105919

Regd. Office: "Zydus Corporate Park", Scheme No. 63, Survey No. 536,
Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S G Highway, Ahmedabad-382481

Phone: +91-79-48040000; +91-79-71800000

Website: www.zydusfoundation.com

directors and employees are not applicable to the Company and hence details thereof are not furnished in this report.

Board Evaluation:

As the Company is not considered as a listed company (as only NCDs are listed and not the equity shares), the provisions of section 134(3)(p) of the Act pertaining to evaluation of Board are not applicable to the Company and hence details thereof are not furnished in this report.

Acknowledgment:

Your Directors take this opportunity to place on record the valuable cooperation and support extended by Banks and its shareholders for their continued confidence reposed in the Company and look forward to having the same support in all its future endeavors.

On behalf of the Board of Directors

Jyotindra B. Gor
Director
DIN: 06439935

Sujatha Rajesh
Director
DIN: 08071096

Date : May 2, 2024

Place : Ahmedabad

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ANNEXURE - A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company has framed a CSR Policy in compliance with the provisions of section 135(4)(a) of the Act and rules framed thereunder, as amended from time to time and for the time being in force. The Company has outlined the following thrust areas in the CSR Policy:

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

The Board approved the CSR spending, apart from others, for providing support in key area i.e. providing support in education of blind people in nearby areas.

2. Composition of CSR Committee:

Not Applicable pursuant to section 135(9) of the Companies Act, 2013.

- 3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. – www.zydusfoundation.com
- 4. Provide the executive summary along with web-link of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – **N.A.**
- 5. (a) Average net profit of the Company as per section 135(5): **Rs. 23.73 Lakhs**
(b) Two percent of average net profit of the company as per section 135(5): **Rs. 0.47 Lakhs**

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- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
- (d) Amount required to be set off for the financial year, if any: **Nil**
- (e) Total CSR obligation for the financial year (b+c-d): **Rs. 0.47 Lakhs**
6. (a) Amount spent on CSR project (both Ongoing Project and other than Ongoing Project): **Rs. 0.50 Lakhs**
- (b) Amount spent in Administrative Overheads: **Nil**
- (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
- (d) Total amount spent for the Financial Year (a+b+c): **Rs. 0.50 Lakhs**
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of transfer
0.50	Nil	N.A.	N.A.	Nil	N.A.

- (g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (Rs. In Lakhs)
i.	Two percent of average net profit of the Company as section 135(5)	0.47
ii.	Total amount spent for the Financial Year	0.50
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	0.03
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial year [(iii)-(iv)]	Nil

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7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount transferred to Unspent CSR Account Under section 135(6) (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
N.A.								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

11

Yes

☒

No

If Yes, enter the number of Capital assets created/ acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
N.A.							

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

Pankaj R. Patel
Chairman of the Board
DIN: 00131852

Sharvil P. Patel
Director
DIN: 00131995

Date: May 2, 2024
Place: Ahmedabad

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZYDUS FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Zydus Foundation** ("the Company"), which comprise the balance sheet as at 31st March 2024, the statement of Income and Expenditure (including other comprehensive income), the statement of changes in Equity and the 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 (hereinafter referred to as "the financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its surplus and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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.

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

This report does not contain a statement on the matters specified in paragraphs 3 and 4 of 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 as, in our opinion, and according to the information and explanations given to us, the Order is not applicable in the case of the company.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. The backup of the books of account and other books and papers maintained in electronic mode, has been maintained on a daily basis on servers physically located in India during the year.
- c) The Balance Sheet, the Statement of Income and Expenditure (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.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" attached to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration paid by the Company to its directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial statements in its financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material misstatement.
- v) During the year, the company has not declared any dividends. Hence, reporting of compliance under section 123 of the Companies Act, 2013 is not applicable.
- i) Based on our examination of records provided to us, which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility from May 17, 2023. From that date, the edit log facility has been operated throughout the year for all transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tempered with from the date edit log was enabled.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), is applicable from April 1, 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

Place: Ahmedabad
Date: May 2, 2024
UDIN: 24129675BKBMKW9190

Karnik K. Shah
Partner
Membership No.: 129675

“Annexure A” referred to in the Independent Auditors’ Report of even date to the members of “Zydus Foundation” on the Financial Statements for the year ended 31st March, 2024.

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the act”)

We have audited the internal financial controls over financial reporting of **Zydus Foundation** (“the company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

The company’s management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India [ICAI]. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s Judgement, including the assessment of the material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

- of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March 2024 in all material respect based on the internal control over financial reporting criteria by the Company considering the essential components of control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Ahmedabad
Date: May 2, 2024
UDIN: 24129675BKBMKW9190

Karnik K. Shah
Partner
Membership No.: 129675

Zydus Foundation Balance Sheet as at March 31, 2024			
Particulars	Note No.	INR- Lakh	
		As at March 31	
		2024	2023
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 [A]	38,606	39,218
Other Intangible asset	3 [B]	35	29
Financial Assets:			
Other Financial Assets	4	379	926
Other Non-Current Assets	5	368	619
		39,388	40,792
Current Assets:			
Inventories	6	80	58
Financial Assets:			
Trade receivable	7	2,754	1,688
Cash and Cash Equivalents	8 [A]	1,518	1,676
Bank Balances other than Cash and Cash Equivalents	8 [B]	92	67
Other Current Financial Assets	9	12	3,050
		4,376	6,481
Other Current Assets	10	272	89
		4,728	6,628
Total		44,116	47,420
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	11	5	5
Other Equity	12	23,978	22,258
		23,983	22,263
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	13	-	12,342
Provisions	14	441	321
		441	12,663
Other Non-Current Liabilities	15	7,033	8,211
		7,474	20,874
Current Liabilities:			
Financial Liabilities:			
Borrowings	16	8,303	-
Trade Payables:			
Dues to Micro and Small Enterprises	17	-	-
Dues to other than Micro and Small Enterprises	17	16	55
Other current financial liabilities	18	964	1,382
		9,283	1,437
Provisions	19	150	111
Other current Liabilities	20	3,226	2,735
		12,659	4,283
Total		44,116	47,420
Material Accounting Policies	2		
Notes to the Financial Statements	1 to 35		
As per our report of even date Mukesh M. Shah & Co. Chartered Accountants Firm Registration Number: 106625W		For and on behalf of the Board	
Karnik K. Shah Partner Membership Number: 129675 Ahmedabad, Dated: May 2, 2024		Sujatha Rajesh Director DIN- 08071096	
		Jyotindra B. Gor Director DIN- 06439935 Ahmedabad, Dated: May 2, 2024	
		Dhwani Trivedi Company Secretary	

Zydus Foundation			
Statement of Income and Expenditure for the year ended March 31, 2024			
Particulars	Note No.	INR- Lakh	
		Year ended March 31	
		2024	2023
INCOME			
Revenue from operation	22	11,854	10,629
Other Income	23	1,320	1,352
Total Income		13,174	11,981
EXPENSES:			
Operative Expense	24	2,992	2,334
Employee Benefits Expense	25	5,714	4,142
Finance Costs	26	989	1,132
Depreciation, Amortisation and Impairment expense	3	1,816	1,669
Administration and other expenses	27	1,190	1,199
Total Expenses		12,701	10,476
Surplus before tax		473	1,505
Tax Expense		-	-
Surplus after tax		473	1,505
Remeasurement of defined benefit obligation		(15)	(3)
Other Comprehensive Expense for the year		(15)	(3)
Total Comprehensive Income for the year [Net of Tax]		458	1,502
Material Accounting Policies	2		
Notes to the Financial Statements	1 to 35		
As per our report of even date		For and on behalf of the Board	
Mukesh M. Shah & Co.			
Chartered Accountants			
Firm Registration Number: 106625W			
		Sujatha Rajesh	
		Director	
		DIN- 08071096	
Karnik K. Shah		Jyotindra B. Gor	
Partner		Director	
Membership Number: 129675		DIN- 06439935	
Ahmedabad, Dated: May 2, 2024		Ahmedabad, Dated: May 2, 2024	
		Dhwani Trivedi	
		Company Secretary	

Zydus Foundation		
Cash flow statement for the year ended March 31, 2024		
Particulars	INR- Lakh	
	Year ended March 31	
	2024	2023
Cash flows from operating activities:		
Surplus before tax	473	1,505
Adjustments for:		
Depreciation and amortisation expense	1,816	1,669
Provision for employee benefit	144	126
Loss on sale of property, plant and equipment	-	10
Amortisation of grant Income	(225)	(186)
Interest Income	(125)	(60)
Interest Expense	16	31
Total	1,626	1,590
Operating Surplus before working capital changes	2,099	3,095
Adjustments for:		
[Increase]/Decrease in Inventories	(22)	34
[Increase] in Trade receivable	(1,066)	(416)
Decrease in other Non current assets	10	8
[Increase]/Decrease in Other Current assets	2,855	(1,539)
[Decrease] in Trade Payables	(39)	(49)
Increase in Other Non Current Liabilities	169	1,602
Increase in Other Current Liabilities	477	2,470
Total	2,384	2,110
Net cash from operating activities	4,483	5,205
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,003)	(2,501)
Proceeds from/(Investment in) Fixed Deposit(Net)	538	(836)
Sale of property, plant and equipment	-	15
Equipment grant received	-	53
Contribution received for specific purpose	1,262	1,610
Interest Income	103	60
Net cash [used in] investing activities	900	(1,599)
Cash flows from financing activities:		
Repayment of Non convertible debentures	(5,500)	(4,000)
Interest Paid	(16)	(31)
Net cash [used in] financing activities	(5,516)	(4,031)
Net Increase/[decrease] in cash and cash equivalents	(133)	(425)
Cash and cash equivalents at the beginning of the period	1,743	2,168
Cash and cash equivalents at the end of the period	1,610	1,743
1 The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows". 2 All figures in brackets are outflows. 3 Previous year's figures have been regrouped wherever necessary. 4 Cash and cash equivalents comprise of:		
	Year ended March 31	
	2024	2023
a Cash and Cash Equivalents	1,518	1,676
b Bank Balances other than Cash and Cash Equivalents	92	67
c Total	1,610	1,743
As per our report of even date Mukesh M. Shah & Co. Chartered Accountants Firm Registration Number: 106625W		
For and on behalf of the Board		
<div> <div> Karnik K. Shah Partner Membership Number: 129675 Ahmedabad, Dated: May 2, 2024 </div> <div> Dhwani Trivedi Company Secretary </div> <div> Sujatha Rajesh Director DIN- 08071096 </div> <div> Jyotindra B. Gor Director DIN- 06439935 Ahmedabad, Dated: May 2, 2024 </div> </div>		

Zydus Foundation
Statement of Changes in Equity for the year ended March 31, 2024

a Equity Share Capital:

	No. of Shares	INR- Lakh
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2022	50,000	5
As at March 31, 2023	50,000	5
As at March 31, 2024	50,000	5

b Other Equity:

	INR- Lakh		
	Reserves and Surplus		Total
	Building and Infrastructure Development Fund	Retained Earnings	
As at March 31, 2022	22,823	(3,677)	19,146
Less: Excess of Expenditure over income	-	1,505	1,505
Add: Other comprehensive Income	-	(3)	(3)
Total Comprehensive Income	-	1,502	1,502
Add: Contribution received during the year for specific purpose	1,610	-	1,610
As at March 31, 2023	24,433	(2,175)	22,258
Less: Excess of Expenditure over income	-	473	473
Add: Other comprehensive Income	-	(15)	(15)
Total Comprehensive Income	-	458	458
Add: Contribution received during the year for specific purpose	1,262	-	1,262
As at March 31, 2024	25,695	(1,717)	23,978

As per our report of even date

For and on behalf of the Board

Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W

Sujatha Rajesh
Director
DIN- 08071096

Karnik K. Shah
Partner
Membership Number: 129675
Ahmedabad, Dated: May 2, 2024

Dhwani Trivedi
Company Secretary

Jyotindra B. Gor
Director
DIN- 06439935
Ahmedabad, Dated: May 2, 2024

Zydus Foundation
Notes to the Financial Statements

Note: 1-Company overview:

Zydus foundation ["the Company"] [CIN: U85300GJ2019NPL105919] was incorporated on January 7, 2019 under section 8 of the Companies Act, 2013 as a company limited by shares. The main activity of the Company is to run, operate and maintain medical college and hospital in rural areas and to carryout other charitable activities and to apply its profits, if any, or other income in promoting the charitable objects. Under the Health Policy 2016 of the Government of Gujarat using the Brownfield Public Private Partnership Model, the Company is awarded rights to operate and maintain hospital in the rural area of Dahod. The financial statements are presented in Indian Rupee [INR] which is also the functional currency of the company. The registered office of the Company is situated at at "Zydus Corporate Park", Scheme No. 63, Survey No. 536 Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad 382 481. These financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 02, 2024.

Note: 2-Material Accounting Policies:

A The following note provides list of the material accounting policies adopted in the preparation of these financial statements. The policy has been consistently applied to all the years presented unless otherwise stated.

1 Basis of preparation:

- A** The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.
- B** The financial statements of the Company are prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair value at end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

2 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3 Revenue Recognition:

A Grant/contribution:

Revenue from Grants/ contributions are recognised upon compliance with the significant condition, if any, and where it is reasonable to expect ultimate collection. Amounts received with a specific direction from donors that such amounts shall form part of the Corpus of the Foundation are recognised accordingly.

B Sale of Services:

Income from services rendered to patients in Hospital is recognised during the period in which the hospital service is provided. Revenue primarily comprises fees charged for in-patient and out-patient hospital services. Services include charges for accommodation, operation theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used. Hospital provides free services to the patients in terms of the conditions stipulated in the Concession agreement as directed by the Government. However, the revenues in respect of the healthcare services provided to eligible in-patients, qualifying for Government Sponsored Healthcare schemes, is recorded at the rates and in accordance with the terms of the respective applicable scheme of the Government.

C Fees Income:

Fee income is credited to the Statement of Income and Expenditure over the period in which it relates.

D Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

4 Government Grants:

- A** Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.
- B** Government grants related to revenue are recognised on a systematic and gross basis in the Statement of Income and expenditure over the period during which the related costs intended to be compensated are incurred.
- C** Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.

5 Taxes on Income:

Tax expenses comprise of current and deferred tax.

Current Tax:

Provision for current tax has not been made in the books of accounts in view of the exemption of income of the Company under Section-11 read with Section 2 (15) of the provisions of the Income Tax Act, 1961.

6 Property, Plant and Equipment:

- A** All items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost [Net of Input tax credit received/ receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met. 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.

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

- C** 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 used.

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

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

- F** 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 Income and expenditure when the asset is derecognised.

Note: 2-Material accounting policies-Continued:**7 Intangible Assets:**

- A** Intangible assets acquired separately are measured on initial recognition at cost. 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** Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated useful lives of ten years.
- D** Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life of four years as estimated by the management at the time of capitalisation.
- E** Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.
- F** An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

8 Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is based on first-in, first out (FIFO) principle.

9 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

10 Leases:

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date [net of any incentives received]. The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments [including in substance fixed], variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

11 Provisions, Contingent Liabilities and Contingent Assets:

- A** Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure of contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.
- B** If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

12 Financial Instruments:

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

A Financial Assets:**a Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus transaction costs, in the case of financial assets not recorded at fair value through profit or loss, that are attributable to the acquisition of the financial asset. All recognised financial assets are subsequently measured at either amortised cost or fair value depending upon the classification of the financial asset.

b Derecognition:

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

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

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

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

When the Company has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

c 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 financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies depends on whether there has been a significant increase in credit risk.

B Financial Liabilities:**a Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured as amortised cost, using EIR method. Gains and losses are recognised in Statement of Income and expenditure when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

C Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

B Recent Accounting Pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. For the year ended March 31, 2024, there are no new standards or amendments to the existing standards which are notified but not yet effective.

Zydus Foundation
Notes to the Financial Statements

Note: 3-Property, Plant and Equipment, Intangible Assets & Capital work-in-progress:

[A] Property, Plant and Equipment:

	Buildings	Computer and data processing	Furniture and fittings	Office equipments	Plant & Machinery	Vehicles	INR- Lakh Total
Gross Block:							
As at March 31, 2022	38,072	129	1,230	179	1,504	181	41,295
Addition	202	28	291	60	994	12	1,587
Disposal			(24)	(2)	(4)	(32)	(62)
As at March 31, 2023	38,274	157	1,497	237	2,494	161	42,820
Addition	528	5	219	29	449	24	1,254
Disposal							-
Other Adjustment[*]			(10)		(53)		(63)
As at March 31, 2024	38,802	162	1,706	266	2,890	185	44,011
Depreciation and Impairment:							
As at March 31, 2022	1,367	76	232	73	181	28	1,957
Depreciation for the year	1,272	25	164	37	143	18	1,659
Depreciation on disposal			(4)	-	(4)	(6)	(14)
As at March 31, 2023	2,639	101	392	110	320	40	3,602
Depreciation for the year	1,295	32	198	47	209	22	1,803
Depreciation on disposal							-
As at March 31, 2024	3,934	133	590	157	529	62	5,405
Net Block:							
As at March 31, 2023	35,635	56	1,105	127	2,174	121	39,218
As at March 31, 2024	34,868	29	1,116	109	2,361	123	38,606

[*] Other Adjustment represents recoveries/discounts from the suppliers of capital goods.

[B] Intangible assets:

	Software	Total
Gross Block:		
As at March 31, 2022	28	28
Addition	15	15
As at March 31, 2023	43	43
Addition	19	19
As at March 31, 2024	62	62
Amortisation and Impairment:		
As at March 31, 2022	4	4
Amortisation for the year	10	10
As at March 31, 2023	14	14
Amortisation for the year	13	13
As at March 31, 2024	27	27
Net Block:		
As at March 31, 2023	29	29
As at March 31, 2024	35	35

Note:

As on 31st March, 2024 and 31st March, 2023, capital work-in-progress is NIL. So that Ageing is not applicable.

Note: 4-Other Financial Assets:

[Unsecured, Considered Good unless otherwise stated]		
Deposits with maturity more than 12 months [*]	300	838
Security Deposits	79	81
Others	-	7
Total	379	926
[*] Earmarked balances with bank:		
Balances to the extent held as security/margin money deposits against guarantee.	300	-

Note: 5-Other Non-Current Assets:

[Unsecured, Considered Good unless otherwise stated]		
Capital advances	339	611
Balances with Statutory Authorities	29	8
Total	368	619

Note: 6-Inventories:

[The Inventory is valued at lower of cost and net realisable value]		
Medicines and others	80	58
Total	80	58

Zydus Foundation							
Notes to the Financial Statements							
						INR- Lakh	
						As at March 31	
						2024	2023
Note: 7 -Trade receivable:							
[Unsecured, Considered Good]							
Trade receivables						660	633
Fees receivable						2,094	1,055
Total						2,754	1,688
Ageing of Trade Receivables :							
Particulars	Not due	Outstanding from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2024							
Undisputed – considered good	-	1,988	624	140	2	-	2,754
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	-	1,988	624	140	2	-	2,754
As at March 31, 2023							
Undisputed – considered good	-	1,498	140	50	-	-	1,688
Undisputed – have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed - have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	-	1,498	140	50	-	-	1,688
Note: 8-Cash and Bank Balances:							
A Cash and Cash Equivalents:							
Balances with Banks						1,515	1,673
Cash on Hand						3	3
Total						1,518	1,676
A Company keeps fixed deposits with the Nationalised/ Scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds.							
B Bank Balances other than Cash and Cash Equivalents							
Fixed Deposit						92	67
Total						92	67
Note: 9-Other Current Financial Assets:							
[Unsecured, Considered Good]							
Grant receivable						-	3,000
Claims receivable						5	43
Others						7	7
Total						12	3,050
Note: 10-Other Current Assets:							
[Unsecured, Considered Good]							
Prepaid Expenses						232	49
Others						40	40
Total						272	89
Note: 11-Equity Share Capital:							
Authorised:							
50,000 [as at March 31, 2023: 50,000] Equity shares of Rs. 10/- each						5	5
Issued, Subscribed and Paid-up:							
50,000 [as at March 31, 2023: 50,000] Equity shares of Rs. 10/- each, fully paid up						5	5
Total						5	5
A Number of shares at the beginning and at the end of the year							
Opening balance						50,000	50,000
Issued during the year						-	-
Closing balance						50,000	50,000
B The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of winding up or dissolution of the company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the company.							
C Details of Shareholder holding more than 5% of aggregate Equity Shares of Rs. 10/- each							
Zydus Lifesciences Limited							
Number of Shares						50,000	50,000
% to total share holding						100%	100%
D Equity Shares held by the promoters of the Company as at the end of the year March 31, 2024 and 2023:							
	Promoter's Name	No. of Shares	% of total shares	% change during the year			
1	Zydus Lifesciences Limited	50,000	100.00	-			
Note: 12-Other Equity:							
Other Reserves:							
Building and Infrastructure Development Fund: [*]							
Balance as per last Balance Sheet						24,433	22,823
Add: Contribution received during the year for specific purpose						1,262	1,610
Balance as at the end of the year						25,695	24,433
Retained Earnings:							
Balance as per last Balance Sheet						(2,175)	(3,677)
Add: Excess of income over Expenditure						473	1,505
Add/(Less): Other comprehensive Income						(15)	(3)
Balance as at the end of the year						(1,717)	(2,175)
Total						23,978	22,258
[*] Building and Infrastructure development fund has been set up specifically for the purpose of construction of Property, Plant and Equipment.							

Zydus Foundation Notes to the Financial Statements			
		INR- Lakh	
		As at March 31	
		2024	2023
Note: 13-Borrowings:			
900 [March 31, 2023 1450]; 0.10% Unsecured Listed Rated Redeemable Non-convertible debentures of face value of Rs.10,00,000/- each [Refer Note No. 16]		-	12,342
Total		-	12,342
Note: 14-Provisions			
Provision for employee benefit		441	321
Total		441	321
Defined benefit plan and long term employment benefit			
A 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 [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.			
Gratuity [Defined benefit plan]:			
The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service.			
B Change in the present value of the defined benefit obligation:			
	As at March 31, 2024		
	Medical Leave	Leave Wages	Gratuity
Opening obligation	7	277	148
Interest cost	0.4	17	10
Current service cost	2	70	51
Past service cost	-	-	-
Benefits paid	-	(43)	(13)
Actuarial [gains]/ losses on obligation due to:			
Experience adjustments	(0.5)	45	12
Change in financial assumptions	0.1	4	4
Closing obligation	9	370	212
Total actuarial [losses]/ gains to be recognised	(0.4)	49	16
C Amount recognised in the balance sheet:			
Liabilities/ [Assets] at the end of the year	9	370	212
Fair value of plan assets at the end of the year	-	-	-
Difference	9	370	212
Liabilities/ [Assets] recognised in the Balance Sheet	9	370	212
	As at March 31, 2023		
	Medical Leave	Leave Wages	Gratuity
Opening obligation	5	196	101
Interest cost	0.4	12	7
Current service cost	2	52	42
Past service cost	-	-	-
Benefits paid	-	(6)	(5)
Actuarial [gains]/ losses on obligation due to:			
Experience adjustments	(0.4)	31	11
Change in financial assumptions	(0.3)	(8)	(8)
Closing obligation	7	277	148
Total actuarial [losses]/ gains to be recognised	(1)	23	3
Liabilities/ [Assets] at the end of the year	7	277	148
Fair value of plan assets at the end of the year	-	-	-
Difference	7	277	148
Liabilities/ [Assets] recognised in the Balance Sheet	7	277	148

Zydus Foundation						
Notes to the Financial Statements						
As at March 31, 2024				As at March 31, 2023		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
Note: 14-Provisions- continued:						
D Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	2	70	51	2	52	42
Past service cost	-	-	-	-	-	-
Interest cost on benefit obligation	0.4	17	10	0.4	12	7
Expected return on plan assets	-	-	-	-	-	-
Return on plan assets excluding Interest income	-	-	-	-	-	-
Net actuarial [gains]/ losses in the year	(0.4)	49	-	(1)	23	-
Amount included in "Employee Benefit Expense"	2	136	61	1	87	49
Return of plan assets excluding amounts included in interest income	-	-	-	-	-	-
Net actuarial [gains]/ losses in the year	-	-	16	-	-	3
Amounts recognized in OCI	-	-	16	-	-	3
E Movement in net liabilities recognised in Balance sheet:						
Opening net liabilities	7	277	148	5	196	101
Expenses as above [P & L Charge]	2	136	61	1	87	49
Employer's contribution	-	-	-	-	-	-
Benefits Paid	-	(43)	(13)	-	(6)	(5)
Amount recognised in OCI	-	-	16	-	-	3
Liabilities/ [Assets] recognised in the Balance sheet	9	370	212	7	277	148
F Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:						
Discount rate	7.20%			7.40%		
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations]						
Annual increase in salary cost	9.00%			9.00%		
[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]						
Withdrawal rates [p.a.]	40% at younger ages reducing to 1% at older ages			40% at younger ages reducing to 1% at older ages		
[The estimates of level of attrition is based on broad economic outlook, type of sector the Company operates in and measures taken by the management to retain/ relieve the employees]						
Sensitivity analysis:						
A quantitative sensitivity analysis for significant assumption is shown below:						
Assumptions	Medical Leave		Leave Wages		Gratuity	
	As at March 31		As at March 31		As at March 31	
	2024	2023	2024	2023	2024	2023
Impact on obligation:						
Discount rate increase by 0.5%	(0.45)	(0.47)	(9.40)	(7.57)	(7.80)	(4.19)
Discount rate decrease by 0.5%	0.23	0.06	9.89	7.15	9.32	8.64
Annual salary cost increase by 0.5%	0.22	0.06	9.67	6.99	9.11	8.50
Annual salary cost decrease by 0.5%	(0.45)	(0.47)	(9.30)	(7.50)	(7.70)	(4.12)
Withdrawal rate increase by 10%	(0.78)	(0.85)	(4.39)	(3.35)	(4.96)	(2.62)
Withdrawal rate decrease by 10%	0.68	0.15	5.04	3.65	6.43	6.38
The following payments are expected contributions (Undiscounted) to the defined benefit plan in future years:						
	INR-Lakh					
	As at March 31					
	2024	2023				
Within the next 12 months [next annual reporting period]	150	111				
Between 2 -4 years	205	148				
Between 5 - 10 years	219	156				
	574	415				
Note: 15-Other Non-current liabilities						
Deferred Government Grant		6,281		6,506		
Unamortised premium on 0.10% Non-convertible debentures		-		1,123		
Caution Money Deposit		517		428		
Others		235		154		
Total		7,033		8,211		
Note: 16-Borrowing						
900 [March 31, 2023 1450]; 0.10% Unsecured Listed Rated Redeemable Non-convertible debentures of face value of Rs.10,00,000/- each		8,303				
Total		8,303		-		
The Company had issued and allotted Unsecured Redeemable Non-convertible Debentures [NCD] which are due for its repayment as shown below. The total NCDs outstanding as on March 31, 2024 amount to Rs. 9,000 lakh [as at March 31 ,2023 Rs. 14,500 Lakh] .						
Sr. no.	Particulars	Credit Rating	Repayment due on			
			Principal	Interest		
1	NCD Series 1	CARE A-	March 25, 2025	March 25, 2024 [Rs. 9.00 Lakh]		
The rating of the NCDs has been upgraded from "BBB+" to "A-" during the reporting period. The interest on NCD is not due for payment as on the date of the financial statements. The NCDs issued by the Company carries prepayment option i.e. it can be repaid in full or part with due consent from majority Debenture holders at any date before its final maturity date. As the NCDs are unsecured, the asset cover is not applicable.						
The cumulative amount of outstanding NCDs as on March 31, 2024 of INR 9,000 [as at March 31 ,2023 Rs. 14,500] Lakh is disclosed as under:						
Rs. NIL [as at March 31, 2023 Rs. 12,342] under the head of "Non Current Borrowings";						
Rs. 8303 Lakh [as at March 31, 2023 NIL] under the head of "Current Borrowings";						
Rs. NIL [as at March 31, 2023 Rs. 1,123] under the head of "Other Non Current Financial Liabilities"; and						
Rs. 697 Lakh [as at March 31, 2023 Rs. 1.035] under the head of "Other current financial Liabilities						

Zydus Foundation Notes to the Financial Statements							
						INR- Lakh	
						As at March 31	
						2024	2023
Note: 17-Trade Payables:							
Dues to Micro and Small Enterprises [*]						-	-
Dues to other than Micro and Small Enterprises						16	55
Total						16	55
[*] Disclosure in respect of Micro and Small Enterprises:							
A Principal amount remaining unpaid to any supplier as at year end						-	-
B Interest due thereon						-	-
C Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year						-	-
D Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act						-	-
E Amount of interest accrued and remaining unpaid at the end of the accounting year						-	-
F Amount of further interest remaining due and payable in succeeding years						-	-
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises on the basis of information available with the Company.							
Ageing of Trade Payables :							
Particulars		Overdue from due date of payment					Total
		Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2024							
Undisputed Micro and Small Enterprises [MSME]		-	-	-	-	-	-
Undisputed Others		-	16	-	-	-	16
Disputed MSME		-	-	-	-	-	-
Disputed Others		-	-	-	-	-	-
Total		-	16	-	-	-	16
As at March 31, 2023							
Undisputed MSME		-	-	-	-	-	-
Undisputed Others		-	55	-	-	-	55
Disputed MSME		-	-	-	-	-	-
Disputed Others		-	-	-	-	-	-
Total		-	55	-	-	-	55
Note: 18-Other current financial Liabilities:							
Unamortised premium on 0.10% Non-convertible debentures						697	1,035
Creditors for Capital Goods						267	333
Others						-	14
Total						964	1,382
Note: 19-Provisions							
Provision for employee benefit						150	111
Total						150	111
Note: 20-Other current Liabilities:							
Unearned Income						3,068	2,660
Students fees received in advance						146	72
Payable to Statutory Authorities						9	1
Others						3	2
Total						3,226	2,735
Note: 21-Commitments [to the extent not provided for]:							
A Contingent Liabilities:							
The company does not have any contingent liability as on the balance sheet date.						-	-
B Commitments:							
Estimated amount of contracts remaining to be executed on capital account and not provided for						579	61
- Net of advance of						289	43

Zydus Foundation Notes to the Financial Statements		
	INR-Lakh	
	Year ended March 31	
	2024	2023
Note: 22-Revenue from operations :		
Sale of services	2,122	1,866
Fees income	9,731	7,911
Government Grant	-	852
Donation	1	-
Total	11,854	10,629
Note: 23-Other Income:		
Interest Income	1,084	1,161
Apportioned Income from Government Grant	225	186
Other Non-operating Income	11	5
Total	1,320	1,352
Note: 24-Operative Expense		
Cost of medical/surgical consumables and Pharmacy	1,260	1,045
Housekeeping Expenses	899	643
Power and fuel expenses	364	258
Fees paid to Professionals	55	56
Effluent Treatment Expenses	32	27
University Affiliation and other regulatory Fees	120	144
Oxygen Expense	77	58
Other operative expense	185	103
Total	2,992	2,334
Note: 25-Employee Benefits Expense:		
Salaries and wages	5,551	4,035
Contribution to provident and other funds	145	103
Staff welfare expenses	18	4
Total	5,714	4,142
Note: 26-Finance Cost:		
Interest expense on 0.10% NCD	976	1,114
Bank commission & charges	13	18
Total	989	1,132
Note: 27-Administration and other expenses:		
Security Expenses	324	233
Advertisement Expenses	2	3
Canteen Expenses	230	185
Loss on sale of assets	-	11
Insurance expense	39	34
Computer and Internet Expenses	20	22
Fuel Expenses	35	34
Legal & professional Expenses	48	24
Printing & Stationary Expenses	46	47
Rent Expenses	23	16
Repairs and Maintenance-Building	48	191
Repairs and Maintenance Expense- Others	168	136
Rates & Taxes	13	-
Travelling Expenses	8	6
Books and periodicals	53	70
Misc. & Other Expenses	133	187
Total	1,190	1,199
Misc. & other expenses include:		
Payment to the Statutory Auditors [excluding GST]:		
- As Auditor	3	2
- For Other Services	1	1
- Total	4	3
Note 28: -Related Party Transactions:		
A Name of the Related Parties and nature of the related party relationship:		
a Holding company : Zydus Lifesciences Limited		
b Fellow subsidiaries/ entities :		
Zydus Healthcare Limited	Nesher Pharmaceuticals (USA) LLC [USA]	
German Remedies Pharmaceuticals Private Limited	ZyVet Animal Health Inc. [USA]	
Zydus Wellness Limited	Zydus Healthcare (USA) LLC [USA]	
Zydus Wellness Products Limited	Sentynl Therapeutics Inc. [USA]	
Liva Nutritions Limited	Zydus Noveltech Inc. [USA]	
Liva Investment Limited	Hercon Pharmaceuticals LLC [USA]	
Zydus Animal Health and Investments Limited	Viona Pharmaceuticals Inc. [USA]	
Dialforhealth Unity Limited	Zydus Therapeutics Inc. [USA]	
Dialforhealth Greencross Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]	
Violio Healthcare Limited	Alidac Pharmaceuticals Pty. Limited [South Africa] [Formally Known as Simayla Pharmaceuticals (Pty) Ltd [South Africa]]	
Zydus Pharmaceuticals Limited	Script Management Services (Pty) Ltd [South Africa]	
Biochem Pharmaceutical Private Limited	Zydus France, SAS [France]	
Zydus Strategic Investments Limited	Laboratorios Combix S.L. [Spain]	
Zydus VTEC Limited	Etna Biotech S.R.L. [Italy]	
M/s. Recon Pharmaceuticals and Investments, a Partnership Firm	Zydus Pharmaceuticals Mexico SA De C.V. [Mexico]	
Zydus International Private Limited [Ireland]	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]	
Zydus Netherlands B.V. [the Netherlands]	Zydus Worldwide DMCC [Dubai]	
Zydus Lanka (Private) Limited [Sri Lanka]	Zydus Wellness International DMCC [Dubai]	
Zydus Nikkho Farmaceutica Ltda. [Brazil]	Zydus Lifesciences Global FZE [UAE]	
Alidac Healthcare (Myanmar) Limited [Myanmar]	Zydus Wellness [BD] Pvt Ltd [Bangladesh]	
Zydus Healthcare Philippines Inc. [Philippines]	Zynext Ventures PTE. LTD. [Singapore]	
Zydus Pharmaceuticals (USA) Inc. [USA]	Zydus Pharmaceuticals UK Limited [UK]	
LM Manufacturing India Private Limited	Zynext Ventures USA LLC [USA]	
LM Manufacturing Limited	LiqMeds Worldwide Limited	
Medsolutions (Europe) Limited	LiqMeds Limited	
Zydus Pharmaceuticals [Canada] Inc.	LiqMeds Lifecare Limited	

Zydus Foundation
Notes to the Financial Statements

Note 28: -Related Party Transactions-continued:

c Joint Venture Companies of Holding Company:

Zydus Hospira Oncology Private Limited
Bayer Zydus Pharma Private Limited

Zydus Takeda Healthcare Private Limited
Oncosol Limited

d Enterprises significantly influenced by Directors and their relatives of company and its Holding Company with whom transactions have taken place:

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

e Key managerial personnel

Pankaj R. Patel
Dr. Sharvil P. Patel
Meha S. Patel
Dhwani Trivedi

Director
Director
Director (w.e.f. Jan 4,2024)
Executive Officer [Company Secretary]

Jyotindra B. Gor
Sujatha Rajesh

Director
Director

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:

a Details relating to parties referred to in Note 28-A [a, b, c & d]

Nature of Transactions	Value of the Transactions [INR - Lakh]			
	Holding, Fellow Subsidiary Companies & Joint ventures of Holding Company		Enterprises significantly influenced by Directors and/ or their relatives	
	Year ended March 31,		Year ended March 31,	
	2024	2023	2024	2023
CSR contribution:				
Zydus Lifesciences Limited	-	630	-	-
Zydus Healthcare Limited	330	399	-	-
German Remedies Pharmaceuticals Pvt Ltd	43	44	-	-
Pripan Investment Pvt.Ltd.	115			
Aia Engineering Limited.	51			
Cadmach Machinery Company Private Limited	-	-	20	18
Zydus Infrastructure Private Limited	-	-	66	92
Zydus Hospitals and Healthcare Research Private Limited	-	-	65	52
Others	442	290	-	-
	981	1,363	151	162
Interest Income:				
M/s. Recon Pharmaceuticals and Investments- Interest Ind AS adjustment	959	1,097	-	-
Interest paid:				
M/s. Recon Pharmaceuticals and Investments	14	17	-	-
M/s. Recon Pharmaceuticals and Investments- Interest Ind AS adjustment	959	1,097	-	-
Debenture Repaid				
M/s. Recon Pharmaceuticals and Investments	5,500	4,000	-	-
Outstanding:				
Payable:				
M/s. Recon Pharmaceuticals and Investments	9,000	14,500	-	-

Note: 29-Financial Instruments:

Fair values:

Financial Assets:

The carrying amounts of trade receivables, other financial assets and cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

Note: 30-Financial Risk Management:

A Financial instruments by category:

	INR- Lakh			
	As at March 31, 2024		As at March 31, 2023	
	Amortised Cost	Total	Amortised Cost	Total
Financial assets:				
Non Current Other Financial Assets	379	379	926	926
Trade receivable	2,754	2,754	1,688	1,688
Cash and Cash Equivalents	1,518	1,518	1,676	1,676
Bank Balance other than cash and cash Equivalents	92	92	67	67
Other Current Financial Assets	12	12	3,050	3,050
Total	4,755	4,755	7,407	7,407
Financial liabilities:				
Borrowings	8,303	8,303	12,342	12,342
Trade payables	16	16	55	55
Provisions	441	441	321	321
Other Current Financial Liabilities	964	964	1,382	1,382
Total	9,724	9,724	14,100	14,100

B Risk Management:

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements. The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long term cash flows by minimizing the exposure to volatile financial markets. The company's capital management is intended to create optimum value by facilitating meeting of long term and short term goals of the Company. 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. The Company deals with recognized and credit worthy third parties and Government authorities. Receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

Zydus Foundation
Notes to the Financial Statements

Note: 30-Financial Risk Management continued:

b Liquidity risk:

- a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due.
- b 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 its obligations. The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	As at March 31, 2024			As at March 31, 2023		
	< 1 year	1- 5 years	Total	< 1 year	1- 5 years	Total
Non-derivative Financial Liabilities:						
Borrowings	8,303	-	8,303	-	-	-
Other non current financial liabilities	-	7,033	7,033	-	8,211	8,211
Trade payable	16	-	16	55	-	55
Other Current Financial Liabilities	964	-	964	1,382	-	1,382
Total	9,283	7,033	16,316	1,437	8,211	9,648

c Interest rate risk:

The sensitivity analysis have been determined based on the exposure to interest rates for financials assets and liabilities at the end of the reporting period. The Company does not have variable rate instruments as at the balance sheet date. The Company's investments in Fixed Deposits are at fixed interest rates.

Note: 31-Analytical Ratios:

Sr. No	Ratio	Numerator	Denominator	FY 23-24	FY 22-23	% Change
1	Current Ratio [*]	Current Assets	Current Liabilities	0.37	1.55	-75.9%
2	Debt-Equity Ratio[^]	Total Debt	Shareholder's Equity	0.38	0.65	-42.4%
3	Debt Service Coverage Ratio [\$]	Earnings before Finance cost, Depreciation & Amortisation and Tax	Current Maturities of Long Term Debt	0.36	-	
4	Return on Equity Ratio [\$]	Net Profits after taxes	Average Shareholder's Equity	2.05%	7.25%	-71.8%
5	Inventory turnover ratio	Net Sales	Average Inventory	171.80	141.72	21.2%
6	Trade Receivables turnover ratio [@]	Net Sales	Average Trade Receivables	5.34	7.18	-25.7%
7	Trade payables turnover ratio [&]	Net Purchases and Other Expenses	Average Trade Payables	120.06	44.61	169.1%
8	Net capital turnover ratio [#]	Net Sales	Average Working Capital	-4.24	4.59	-192.5%
9	Net profit ratio [\$]	Net Profits after taxes	Net Sales	3.99%	14.16%	-71.8%
10	Return on Capital employed [\$]	Earnings before interest and taxes	Average Capital Employed	4.16%	4.09%	1.6%
11	Return on investment	Income from investments during the year	Time weighted average of investments	5.72%	2.68%	113.4%

[*] Mainly due to increase in Current Liability

[^] Mainly due to decrease in borrowings

[\$] Increase is due to decrease in earnings

[@] Driven by an increase in accounts receivable

[&] Driven by an decrease in accounts payable

[#] Driven by increase in sales and net current assets

Note: 32- Earning Per Share:

The Company is incorporated as a Section 8 Company in terms of provisions of the Companies Act, 2013 to promote the objects to establish, run, manage, maintain hospitals etc., establishing educational institutions including for medical science and to carry on research and development activities in the areas of education and carry out other charitable activities and to apply its profits, if any, or other income in promoting the said charitable objects. In terms of the provisions of the Companies Act and its Memorandum of Association[MoA], the Company is prohibited from the payment of any dividend to its members. In terms of the provisions of the said section, the income and properties of the company whensoever derived, is required to be applied solely for the promotion of the charitable objects as set forth in its MOA and that no portion thereof is allowed to be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise by way of profit, to persons who at any time are or have been members of the company.

Even, in the event of winding up or dissolution of the Company, if there remains, after the satisfaction of all debts and liabilities, any property whatsoever, the same is not allowed to be distributed amongst the members of the Company but is mandatorily to be given or transferred to such other company having object similar to the objects of the Company subject to such conditions as the Tribunal may import or may be sold and proceeds thereof credited to Rehabilitation and Insolvency Fund formed under Section 269 of the Companies Act, 2013.

As there is no earnings attributable to the shareholders, the Company, therefore, has not disclosed earnings/ losses per share.

Note: 33-Disclosure of transactions with Struck off Companies:

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

Zydus Foundation		
Notes to the Financial Statements		
Note 34:		
The company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility from May 17, 2023. From that date, the edit log facility has been operated throughout the year for all transactions recorded in the software.		
Note 35:		
Amounts have been rounded off to the nearest rupees lakh and previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary to confirm to the current presentation.		
Signatures to Significant Accounting Policies and Notes 1 to 35 to the Financial Statements		
As per our report of even date		For and on behalf of the Board
Mukesh M. Shah & Co.		
Chartered Accountants		
Firm Registration Number: 106625W		
		Sujatha Rajesh Director DIN- 08071096
Karnik K. Shah		
Partner		
Membership Number: 129675		
Ahmedabad, Dated: May 2, 2024		
	Dhwani Trivedi Company Secretary	Jyotindra B. Gor Director DIN- 06439935 Ahmedabad, Dated: May 2, 2024