

Zydus Wellness

July 31, 2019

Listing Department
BSE LIMITED

Code: 531335

P J Towers, Dalal Street, Fort,
Mumbai-400 001

Listing Department

Code: ZYDUSWELL

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai-400 051

Re: Unaudited Financial Results for the quarter ended on June 30, 2019

Dear Sir,

Please find attached herewith the unaudited financial results for the quarter ended on June 30, 2019, reviewed by the Audit Committee and taken on record by the Board of Directors today i.e. July 31, 2019 pursuant to Regulation No. 33[2][a] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

Please receive the same in order.

Thanking you,

Yours faithfully,
For, ZYDUS WELLNESS LIMITED



DHANRAJ P. DAGAR
COMPANY SECRETARY



Encl.: As above

Statement of Unaudited Results for the Quarter Ended 30/06/2019

Rupees in Lakh CONSOLIDATED				Sr. No.	Particulars	Rupees in Lakh COMPANY			
3 Months ended 30/06/2019	Preceding 3 months ended 31/03/2019	Corresponding 3 months ended 30/06/2018 in the previous year	Year to date figures for the previous year ended 31/03/2019			3 Months ended 30/06/2019	Preceding 3 months ended 31/03/2019	Corresponding 3 months ended 30/06/2018 in the previous year	Year to date figures for the previous year ended 31/03/2019
[Unaudited]	[Audited]	[Unaudited]	[Audited]			[Unaudited]	[Audited]	[Unaudited]	[Audited]
62,025	41,615	14,305	84,282	1	Revenue				
303	849	977	3,888	a	Revenue from operations	3,692	3,411	6,420	25,461
62,328	42,464	15,282	88,170	b	Other income	2,605	3,058	965	6,055
				c	Total Revenue	6,297	6,469	7,385	31,516
12,926	16,255	4,067	29,263	2	Expenses				
3349	2,925	5	3,002	a	Cost of materials consumed	2,192	2,434	2,172	9,450
9,020	(2,435)	79	(2,428)	b	Purchases of stock-in-trade	23	17	1	80
4,330	3,459	1,581	8,560	c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(38)	35	27	98
3,485	2,875	42	3,009	d	Employee benefits expense	966	678	764	3,091
1,035	628	204	1,251	e	Finance costs	3,561	2,866	40	2,993
9,719	6,640	4,000	15,176	f	Depreciation and amortisation expense	63	64	64	261
10,480	7,169	2,364	13,274	g	Advertisement & promotion expenses	343	219	737	1,631
54,344	37,516	12,342	71,107	h	Other expenses	1,073	1,137	1,025	4,196
7,984	4,948	2,940	17,063	i	Total expenses	8,183	7,450	4,830	21,800
				3	Profit/ (Loss) before tax (1-2)	(1,886)	(981)	2,555	9,716
				4	Tax expense				
	520	703	3,109	a	Current tax	-	14	-	94
(56)	(1,803)	(398)	(3,170)	b	Deferred tax	(10)	14	(18)	(8)
(56)	(1,283)	305	(61)	c	Total tax expenses	(10)	28	(16)	86
8,040	6,231	2,635	17,174	5	Net Profit before Non -Controlling Interests (3-4)	(1,876)	(1,009)	2,571	9,630
				6	Non-controlling interests	-	-	-	-
8,040	6,231	2,573	16,914	7	Net Profit after tax and Non -Controlling Interests (5-6)	(1,876)	(1,009)	2,571	9,630
				8	Other Comprehensive Income (OCI)				
(5)	48	3	2	a	Items that will not be reclassified to profit or loss (net of tax)	(10)	46	5	43
				b	Items that will be reclassified to profit or loss (net of tax)	-	-	-	-
(5)	48	3	2	c	Other Comprehensive Income (OCI)	(10)	46	5	43
8,035	6,279	2,638	17,126	9	Total Comprehensive Income (5+8)	(1,886)	(963)	2,576	9,673
				10	Total Comprehensive Income attributable to:				
8,035	6,279	2,576	16,916	a	Owners of the company	(1,886)	(963)	2,576	9,673
				b	Non-Controlling Interests	-	-	-	-
5,766	5,766	3,907	5,766	11	Paid-up equity share capital (Face Value Rs.10 /-)	5,766	5,766	3,907	5,766
				12	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year (i.e. Other Equity)	-	-	-	3,26,756
	37,500	-	37,500	13	Debt Redemption Reserve	-	37,500	-	37,500
				14	Earnings per share [not annualised]				
13.95	14.77	6.59	40.10	a	Basic (Rs.)	(3.25)	(2.39)	6.58	22.83
13.95	14.77	6.59	40.10	b	Diluted (Rs.)	(3.25)	(2.39)	6.58	22.83
				15	Debt Equity Ratio	-	-	-	0.47
				16	Debt Service Coverage Ratio	-	-	-	4.25
				17	Interest Service Coverage Ratio	-	-	-	4.25

Notes :

- [1] The above results for the quarter ended June 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 31, 2019.
- [2] The Statutory Auditors of the Company have carried out a "Limited Review" of the above financial results for the quarter ended June 30, 2019 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- [3] The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- [4] The Company operates in one segment, namely "Consumer Products".
- [5] Pursuant to the definitive agreements entered into by the Company on October 24, 2018 to acquire Heinz India Private Limited (HIPL), the Company alongwith its wholly-owned entity, M/s. Zydus Wellness - Sikkim [a partnership firm] had completed the acquisition of HIPL on January 30, 2019. The consolidated financial results for the quarter ended June 30, 2019 include the operations of Heinz India Private Limited which got merged into Zydus Wellness Products Limited [Formerly known as "Zydus Nutritions Limited"]. Hence, the financial results for the quarter ended June 30, 2019 are not comparable with those of the previous periods.
- [6] M/s. Zydus Wellness - Sikkim, was converted into a company, namely Zydus Wellness Products Limited [Formerly known as " Zydus Nutritions Limited [ZNL], w.e.f. February 28, 2019, pursuant to which, it became a subsidiary of the Company.
- [7] Pursuant to the Scheme of Amalgamation between two subsidiaries of the company viz. ZNL and HIPL, which was sanctioned by the Ahmedabad bench of Hon'able National Company Law Tribunal [NCLT] vide its order dated May 10, 2019 and effective date being May 24, 2019, HIPL has been merged with ZNL w.e.f. the appointed date of March 1, 2019.
- [8] The Group has adopted Ind AS 116 "Leases" effective April 01, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the current quarter.
- [9] The Company had issued Secured Redeemable Non Convertible Debentures (NCDs) of INR 150000 Lakh, which are repayable in three equal yearly instalments starting from January 16, 2022. These NCDs have been secured by way of charge on specific brands. The asset cover of the said NCDs as on June 30, 2019 exceeds hundred percent of the principal amount of the NCDs. The Company obtained long term credit rating for issuance of NCDs and was assigned credit ratings of "CRISIL AA+/ Stable" from CRISIL Limited and "CARE AA+/ Stable" from CARE Rating Limited. There is no change in the ratings of the NCDs by any of the rating agencies during the quarter.
- [10] Due to seasonality of some of the Group's products, Group's Revenues and Profits are skewed in favor of the first and last quarters of the financial year. Hence the performance of these quarters is not representative and cannot be generalised for other quarters.
- [11] Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

By Order of the Board,
for Zydus Wellness Limited,



Dr. Shashil P. Patel
Chairman

Zydus Wellness

July 31, 2019

Listing Department

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BSE LIMITED

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NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai-400 051

Re: Limited Review Report on the unaudited Financial Results for the quarter ended on June 30, 2019

Dear Sir,

Please find attached herewith the limited review report on the unaudited financial results for the quarter ended on June 30, 2019, by Dhirubhai Shah & Co. LLP, the Statutory Auditors, reviewed by the Audit Committee and taken on record by the Board of Directors today i.e. July 31, 2019 pursuant to regulation 33[2][a] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

Please receive the same in order and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

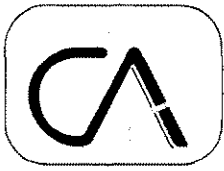
For, ZYDUS WELLNESS LIMITED



DHANRAJ P. DAGAR
COMPANY SECRETARY



Encl.: As above



Limited Review Report on Quarterly Unaudited Standalone Financial Results of Zydus Wellness Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

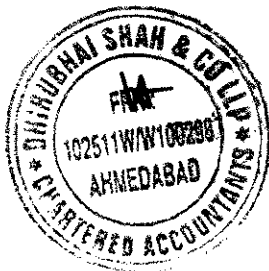
To
The Board of Directors of Zydus Wellness Limited

We have reviewed the accompanying statement of unaudited standalone financial results of Zydus Wellness Limited ('the Company') for the quarter ended on June 30, 2019, attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

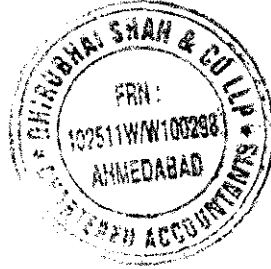
The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company in their meeting held on July 31, 2019. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition & measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting



practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.



Place: Ahmedabad

Date: July 31, 2019

UDIN: 19014427AAAAWH8339

For, Dhirubhai Shah & Co LLP

Chartered Accountants

Firm Registration No. 102511W/W100298

Harish B. Patel

Harish B Patel

Partner

M. No. 014427



Limited Review Report on Quarterly Unaudited Consolidated Financial Results of Zydus Wellness Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Zydus Wellness Limited

We have reviewed the accompanying statement of unaudited consolidated financial results of Zydus Wellness Limited ('the Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') for the quarter ended on June 30, 2019, attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, as amended.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 is the responsibility of the Parent's management and has been approved by the Parent's Board of Directors in their meeting held on July 31, 2019. Our responsibility is to express a conclusion on the Statement based on our review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion. We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

The Statement includes the financial results of following subsidiaries:

- Zydus Wellness Products Limited (Formerly known as Zydus Nutritions Limited)
- Liva Nutritions Limited
- Liva Investment Limited



Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition & measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.



Place: Ahmedabad

Date: July 31, 2019

UDIN: 19014427AAAAWI9078

For, Dhirubhai Shah & Co LLP

Chartered Accountants

Firm Registration No. 102511W/W100298

Harish B Patel

Partner

M. No. 014427

Zydus Wellness

July 31, 2019

Listing Department

BSE LIMITED

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Listing Department

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai-400 051

Code: ZYDUSWELL

Re: Press Release

Dear Sir,

We are forwarding herewith a copy of press release proposed to be published in the newspapers in the matter of unaudited financial results for the quarter ended on June 30, 2019 the same may please receive in order.

Thanking you,

Yours faithfully,

For, ZYDUS WELLNESS LIMITED



DHANRAJ P. DAGAR
COMPANY SECRETARY



Encl.: As above

Press Release

Press Release

Press Release

Zydus Wellness Ltd., posts Net Sales of Rs. 606 crores in Q1

Ahmedabad, July 31, 2019

For the first quarter ending June 30, 2019, Zydus Wellness Ltd., reported total income from operations of Rs. 620 crores, up by 333.6% on a consolidated basis. Net Sales was up by 371% to Rs. 606 crores and adjusted Net Profit, was up by 428.9% to Rs. 80 crores. Since the consolidated financial results for the quarter one of Financial Year 2019-20 include operating results of the acquired business, the reported results are not comparable with those pertaining to previous period.

During the quarter gone by, key brands namely, Sugar Free, Everyuth Scrub and Everyuth Peel Off, Glucon D and Nycil continued to hold strong positions in their respective categories.

As per MAT June 2019 report of Nielsen, the iconic brands Sugar Free, Everyuth Scrub and Peel Off Mask, Nycil and Glucon D maintained their number one position* in the market. Sugar Free with a market share of 94.3% leads in the sugar substitute market, EverYuth Scrub with a market share of 32.7% and EverYuth Peel Off Mask with a market share of 84% were the category leaders. Nycil and Glucon D continued to lead with 33.4% and 59.8% market share, respectively.

The company continued to strengthen its customer connect with new offerings, expand its reach through e-commerce channels and build brand advocacy, during the quarter.

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**Due to a seasonal impact on some of the Group's products, Group's Revenues and Profits are skewed in favour of the first and last quarters of the financial year. Hence the performance of these quarters is not representative and cannot be generalised for other quarters.*

