

July 31, 2020

Listing Department
BSE LIMITED
P J Towers, Dalal Street, Fort,
Mumbai-400 001

Code: 531335

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

Code: ZYDUSWELL

Re: **Outcome of Board Meeting**

Dear Sir,

The Board of Directors at their meeting held today i.e. July 31, 2020, based on the recommendations of Audit Committee, approved the unaudited financial results for the quarter ended on June 30, 2020. In this regard, please find enclosed the following:

1. the unaudited financial results for the quarter ended on June 30, 2020, reviewed by the Audit Committee and taken on record by the Board of Directors today i.e. July 31, 2020 pursuant to Regulation No. 33[2][a] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.
2. limited review report on the unaudited financial results for the quarter ended on June 30, 2020, 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, 2020 pursuant to regulation 33[2][a] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.
3. 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, 2020.

We further inform that the Trading Window under SEBI (Prohibition of Insider Trading), Regulations, 2015 shall remain closed for trading till August 2, 2020 and shall reopen from August 3, 2020 for the Directors and Designated Persons.

The Board Meeting commenced at 10:30 a.m. and concluded at 11:50 a.m.

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 Quarter Ended June 30, 2020

		₹ in Lakh			
		CONSOLIDATED		COMPANY	
Sr. No.	Particulars	Quarter Ended		Year Ended	
		March 31, 2020	June 30, 2019	March 31, 2020	March 31, 2020
		[Unaudited]	[Unaudited]	[Audited]	[Audited]
1	Revenue				
a	Revenue from operations	48,787	62,025	176,682	15,343
b	Other income	130	303	1,071	10,948
	Total Revenue	48,917	62,328	177,753	26,291
2	Expenses				
a	Cost of materials consumed	30,123	12,926	75,382	9,888
b	Purchases of stock-in-trade	3,861	3,349	8,249	112
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(11,487)	9,020	(5,754)	(605)
d	Employee benefits expense	4,678	4,842	18,834	3,397
e	Finance costs	3,470	3,485	13,991	14,029
f	Depreciation and amortisation expense	688	1,035	2,639	295
g	Advertisement and promotion expenses	4,635	9,719	23,802	594
h	Other expenses	6,519	7,298	24,063	4,043
	Total expenses	42,487	51,674	161,206	31,753
3	Profit/ (Loss) before exceptional items and tax (1-2)	6,430	10,654	16,547	(5,462)
4	Exceptional items	283	2,670	4,420	32
5	Profit/ (Loss) before tax (3-4)	6,147	7,984	12,127	(5,494)
6	Tax expense				
a	Current tax	(265)	-	(265)	-
b	Deferred tax	(498)	(56)	(1,780)	(1,421)
	Total tax expenses	(763)	(56)	(2,045)	(1,421)
7	Net Profit (5-6)	6,910	8,040	14,172	(4,073)
8	Other Comprehensive Income (OCI)				
a	Items that will not be reclassified to profit or loss (net of tax)	193	(5)	201	(29)
b	Items that will be reclassified to profit or loss (net of tax)	17	-	17	-
	Other Comprehensive Income (net of tax)	210	(5)	218	(29)
9	Total Comprehensive Income (7+8)	7,120	8,035	14,390	(4,102)
10	Total Comprehensive Income attributable to:				
a	Owners of the company	7,120	8,035	14,390	(4,102)
b	Non-Controlling Interests	-	-	-	-
11	Paid-up equity share capital (Face Value ₹ 10 each)	5,766	5,766	5,766	5,766
12	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year (i.e. Other Equity)	340,300	340,300	340,300	315,704
13	Debiture Redemption Reserve	37,500	37,500	37,500	37,500
14	Earnings per share [EPS]				
a	Basic (₹)	11.98	13.95	24.58	(7.06)
b	Diluted (₹)	11.98	13.95	24.58	(7.06)
15	Debt Equity Ratio	0.44	0.44	0.44	0.47
16	Debt Service Coverage Ratio	1.87	1.87	1.87	0.61
17	Interest Service Coverage Ratio	1.87	1.87	1.87	0.61

Notes :

- 1 The above financial results for the quarter ended June 30, 2020 were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on July 31, 2020.
- 2 The Statutory Auditors of the Company have carried out a "Limited Review" of the above financial results for the quarter ended June 30, 2020 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 The Company had issued Secured Redeemable Non-Convertible Debentures (NCDs) of ₹ 150,000 lakhs, 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, 2020 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.
- 6 Due to seasonality of some of the Company's products, Company'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.
- 7 In the process of integration and concluding the merger of the acquired entity, Company incurred various expenses towards transition service agreement (TSA), consultancy fees, stamp duties, legal and professional charges and other incidental charges. The Company would not have incurred these expenses in the normal course of business and hence these expenses are classified as Exceptional Items.
- 8 The figures of the quarter ended Mar 31, 2020 are the balancing figure between audited figures in respect of the full financial year and restated year to date figures upto the third quarter of the previous financial year.
- 9 As per the current assessment of the situation based on the internal and external information available up to the date of approval of these financial results by the Board of Directors, the Company continues to believe that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results and the Company will closely monitor any material changes to the economic environment and their impact on its business in the times to come.
- 10 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 Zyvius Wellness Limited,



Dr. Sharvil P. Patel
Chairman

Place: Ahmedabad
Date: July 31, 2020



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

To
The Board of Directors of
Zydus Wellness Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Zydus Wellness Limited ('the Company') for the quarter ended 30th June, 2020 ('the Statement').

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared 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, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement 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 Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Attention is drawn to the fact that the figures for the 3 months ended 31st March, 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.



5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For, **Dhirubhai Shah & Co LLP**
Chartered Accountants
Firm Registration No. 102511W/W100298

Samip K. Shah.

Place: Ahmedabad
Date: July 31, 2020

Samip Shah
Partner
Membership No: 128531
ICAI UDIN:
20128531AAAAA63394





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

To the Board of Directors of
Zydus Wellness Limited

1. 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 30th June, 2020 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared 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, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the financial results of following subsidiaries:

- Zydus Wellness Products Limited
- Liva Nutritions Limited
- Liva Investment Limited
- Zydus Wellness International DMCC



Zy+us Wellness' Q1 Net Profit up by 10.9%

Ahmedabad, India, 31 July 2020

For the first quarter ended June 30, 2020, Zy+us Wellness Ltd. reported consolidated revenue from operations of Rs. 537.4 crores. Earnings before Interest, Depreciation and Tax (EBIDTA) of Rs. 122.3 crores was up by 0.3% on a y-o-y basis. PBT after exceptional items, was up by 4.1% to 83.1 crores. Net profit for the quarter was up by 10.9% at Rs. 89.2 crores from Rs. 80.4 crores in the corresponding quarter of the previous year.

The past quarter was an unprecedented one due to the COVID-19 pandemic impacting company's operations in the early part of the quarter. However with the logistical challenges being resolved and approvals for re-starting manufacturing plants and operating C&FA warehouses coming in, the Company was able to recover from the early setbacks. While the sales for the month of April 2020 was impacted due to COVID, the month of May saw a revival of sales growth followed by double digit growth in the month of June.

During the quarter, Zy+us Wellness launched several innovative products. Foraying into the toddler health food drink segment, the Company launched Complian Nutrigo which packs in nutrition with a 50:50 proportion of whey & casein. The product is being promoted through doctors. The Company also launched Nutralite Choco Spread in two flavours through the e-commerce platform. As an extension to its Glucon D brand, the Company's new offering Glucon-D Immuno volts is ready for the market. The tasty energy bites, fortified with Vitamin C, Vitamin D, zinc and glucose, boost immunity. Complian in a convenient 75 gms satchet is also ready for launch.

Coping with the pandemic, the Company continues to be agile in its responses and execution of its plans. Stepping up the marketing initiatives for its marquee brands, Zy+us Wellness has been harnessing the power of digital communications and social media to reach out to its customers. Sugar Free was promoted using the #StayHomeStayFit challenge.
