

July 15, 2020

Listing Department

Code: ZYDUSWELL

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Bandra Kurla Complex,

Bandra (E),

Mumbai-400 051

Sub: Audited Financial Results for the quarter / year ended on March 31, 2020

Ref: Your email dated July 15, 2020

Dear Sir,

With reference to your email dated July 15, 2020, we would like to submit as under

1. Financial results not signed by authorized signatory/ies:

The Board Meeting was held through VC by all the directors from their respective residence and Financial Results was signed by the chairman at his residence and hence it was filed as signed copy. The original signed financials are attached herewith.

2. The company has not submitted the Statement of Modified Opinion or in case of unmodified opinion(s), a declaration to that effect to the Stock Exchange:

With reference to the above please note that both the audit reports of the Statutory Auditors, i.e. standalone and consolidated, on the financial statements for the quarter / year ended on March 31, 2020 are with unmodified opinion.

Please receive the same in order.

Thanking you,

Yours faithfully,

For, ZYDUS WELLNESS LIMITED



DHANRAJ P. DAGAR
COMPANY SECRETARY



Zydus Wellness Registered office : Zydus Corporate Park, Scheme No. 63, Survey No. 536 Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad 382 481. Tel. No. (+91-79) 48040000 Fax No. : (+91-79) 67775811 Website : www.zyduswellness.in, CIN No : L15201GJ1994PLC023490									
Zydus Wellness Limited Statement of Audited Results for the Period Three Months and Year Ended March 31, 2020									
₹ in Lakhs				₹ in Lakhs					
CONSOLIDATED				COMPANY					
Three months ended				Three months ended					
March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2019	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
[Audited]	[Unaudited]	[Audited]	[Audited]	[Audited]	[Unaudited]	[Audited]	[Audited]	[Audited]	[Audited]
Sr. No.				Particulars					
1	a	Revenue		3,432	4,256	3,411		15,343	25,461
	b	Revenue from operations	84,282	3,056	2,626	3,058		10,948	6,055
	c	Other income	3,888	6,488	6,882	6,469		26,291	31,516
2	a	Total Revenue	88,170	2,928	2,350	2,434		9,888	9,450
	b	Expenses	3,002	1	73	17		112	80
	c	Cost of materials consumed		(750)	414	35		(605)	98
	d	Purchases of stock-in-trade	(2,428)	646	926	678		3,397	3,091
	e	Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,009	3,445	3,465	2,866		14,029	2,993
	f	Employee benefits expense	1,251	100	66	64		295	261
	g	Finance costs	15,176	74	68	219		594	1,631
	h	Depreciation and amortisation expense	12,229	768	1,117	824		4,043	3,883
	i	Advertisement and promotion expenses	70,062	7,212	8,479	7,137		31,753	21,487
		Other expenses	18,108	(724)	(1,597)	(668)		(5,462)	10,029
3		Total expenses	(1,045)	(13)	(8)	(313)		(32)	(313)
4		Profit/(Loss) before exceptional items and tax(1-2)	17,063	(737)	(1,605)	(981)		(5,494)	9,716
5		Exceptional items							
6		Profit/(Loss) before tax (3+4)							
	a	Tax expense	3,109	-	-	14		-	94
	b	Current tax	(265)	(174)	(1,219)	14		(1,421)	(8)
	c	Deferred tax	(3,170)	(174)	(1,219)	28		(1,421)	86
7		Total tax expenses	(61)	(563)	(386)	(1,009)		(4,073)	9,630
8		Net Profit before Non -Controlling Interests (5-6)	17,124	-	-	-		-	-
		Non-controlling interests	210						
9		Net Profit after tax and Non -Controlling Interests (7-8)	16,914	(563)	(386)	(1,009)		(4,073)	9,630
10	a	Other Comprehensive Income (OCI)							
		Items that will not be reclassified to profit or loss (net of tax)	2	14	(11)	46		(29)	43
	b	Items that will be reclassified to profit or loss (net of tax)	17	-	-	-		-	-
		Total Comprehensive Income (OCI)	218	14	(11)	46		(29)	43
11		Total Comprehensive Income (7+10)	17,126	(549)	(397)	(963)		(4,102)	9,673
12	a	Total Comprehensive Income attributable to:		(549)	(397)	(963)		(4,102)	9,673
	b	Owners of the company	16,916	-	-	-		-	-
		Non-Controlling Interests	210	5,766	5,766	5,766		5,766	5,766
13		Paid-up equity share capital (Face Value ₹ 10 each)	332,862					315,704	326,758
14		Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year (i.e. Other Equity)	37,500					37,500	37,500
15		Debt Redemption Reserve							
16		Earnings per share [EPS]							
	a	[EPS for three months ended period is not annualized]							
	b	Basic (₹)	40.10	(0.98)	(0.67)	(2.39)		(7.06)	22.83
		Diluted (₹)	40.10	(0.98)	(0.67)	(2.39)		(7.06)	22.83
17		Debt Equity Ratio	0.46					0.47	0.47
18		Debt Service Coverage Ratio	6.67					0.61	4.25
19		Interest Service Coverage Ratio	6.67					0.61	4.25

Notes :

- 1 The above results for the period three months and year ended March 31, 2020 were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on June 2, 2020.
 - 2 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.
 - 3 The Company operates in one segment, namely "Consumer Products".
 - 4 The figures for the three months ended Mar 31, 2020 and Mar 31, 2019 are the balancing figure between audited figures in respect of the full financial year and for the period upto the end of the third quarter of relevant financial year.
 - 5 Pursuant to the definitive agreements entered into by the Company on October 24, 2018 to acquire Heinz India Private Limited [HIPL], the Company along with its wholly-owned entity, M/s. Zyklus Wellness – Sikkim [a partnership firm] had completed the acquisition of HIPL on January 30, 2019. The consolidated financial results for the period three and year ended March 31, 2020, include the operations of Heinz India Private Limited which got merged into Zyklus Wellness Products Limited [Formerly known as "Zyklus Nutritions Limited"]. Hence, the financial results for the three months and the year ended March 31, 2020 are not comparable with those of the previous periods.
 - 6 M/s. Zyklus Wellness - Sikkim, was converted into a Company, namely Zyklus Wellness Products Limited, formerly known as Zyklus Nutritions Limited [ZNL], w.e.f. February 28, 2019, pursuant to which, it became a subsidiary of the Company.
 - 7 The Group has adopted Ind AS 116 "Leases" effective April 01, 2019, using modified retrospective method. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of this standard did not have any material impact on the financial results of the Company.
 - 8 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 March 31, 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 three months and the year ended March 31, 2020.
 - 9 During the three months ended March 31, 2020, the Board of Directors have declared an interim dividend of ₹ 5 [50%] per equity share on 5,76,64,144 equity shares of ₹ 10 each for the financial year ended on March 31, 2020.
 - 10 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.
 - 11 Due to seasonality of 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.
 - 12 The ministry of Home Affairs vide order No.40-3/2020 dated March 24, 2020, notified first ever nationwide lockdown in India to contain the outbreak of Covid Pandemic. As a result, our operations were completely shut down during initial days of the Lockdown. However, subsequently we could quickly get the required approvals for re-starting our manufacturing plants and operating our warehouses. Majority of the distributors could also get permissions from local authorities to re-open their business places. With ensuring necessary safety precautions to be taken, our majority of last mile field force and front line staff have also come forward and supported the business. Though initially the entire economy faced shortage of labour and transportation facilities, progressively the government's support for the movement of essential commodities helped resolve the transportation and labour issues to some extent. We are faced with the same uncertainties as faced by our country in general and FMCG industry in particular due to current COVID 19 pandemic. However as stated before, operations are gradually moving towards near normalcy now and are in relatively better shape compared to what they were during the last week of March 20 and major part of April 20.
- As per our current assessment of the situation based on internal and external information available up to the date of approval of these financial results by the Board of Directors, 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 the business.
- 13 Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

Balance Sheet					
₹ in Lakhs		Particulars	₹ in Lakhs		
CONSOLIDATED			COMPANY		
As at March 31,			As at March 31,		
2020	2019		2020	2019	
[Audited]	[Audited]		[Audited]	[Audited]	
		ASSETS:			
		Non-current assets:			
18,877	20,742	Property, plant and equipment	1,913	1,439	
1,590	-	Right-of-use assets	77	-	
353	1,031	Capital work-in-progress	147	113	
392,002	381,974	Goodwill	2,282	2,282	
54,883	54,026	Other intangible assets	-	3	
		Financial assets:			
-	-	Investment	352,758	368,952	
-	-	Loans	112,136	112,000	
977	667	Other financial assets	51	49	
465	4,054	Other non-current assets	264	213	
12,079	10,299	Deferred tax Assets [net]	1,399	-	
163	3,289	Asset for Current Tax	485	518	
481,389	476,082	Total Non Current Assets	471,512	485,569	
		Current assets:			
29,234	23,307	Inventories	1,234	568	
		Financial assets:			
11,041	4,610	Investments	-	-	
11,820	9,604	Trade receivables	55	629	
5,448	13,815	Cash and cash equivalents	193	1,691	
2,794	2,614	Bank balance other than cash and cash equivalents	2,787	2,607	
-	-	Loans	-	550	
-	-	Other financial assets	2,542	2,489	
17,242	15,820	Other current assets	1,953	1,313	
77,579	69,770	Total Current Assets	8,764	9,847	
558,968	545,852	Total Assets	480,276	495,416	
		EQUITY AND LIABILITIES:			
		Equity:			
5,766	5,766	Equity share capital	5,766	5,766	
340,300	332,862	Other equity	315,704	326,758	
346,066	338,628	Total Equity	321,470	332,524	
		Liabilities:			
		Non-current liabilities:			
		Financial liabilities:			
150,000	150,000	Borrowings	150,000	150,000	
64	-	Lease liabilities	64	-	
51	63	Other financial liabilities	45	57	
2,437	2,283	Provisions	194	27	
168	252	Other non-current liabilities	-	-	
-	-	Deferred tax liabilities [net]	-	22	
152,720	152,598	Total Non Current Liabilities	150,303	150,106	
		Current liabilities:			
		Financial liabilities:			
1,905	6,925	Borrowings	1,630	6,650	
654	989	Trade payables			
		Due to micro enterprises and small enterprises	10	12	
48,458	38,240	Due to other than micro enterprises and small enterprises	3,287	2,456	
14	-	Lease liabilities	14	-	
4,277	3,948	Other financial liabilities	3,198	3,211	
3,390	3,174	Other current liabilities	281	429	
1,484	1,074	Provisions	83	28	
-	276	Current tax liabilities [net]	-	-	
60,182	54,626	Total Current Liabilities	8,503	12,786	
558,968	545,852	Total Equity & Liabilities	480,276	495,416	

Statement of Cash Flows				
₹ in Lakhs		Particulars	₹ in Lakhs	
CONSOLIDATED			COMPANY	
March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
[Audited]	[Audited]		[Audited]	[Audited]
12,127	17,063	Profit/ [Loss] before tax	(5,494)	9,716
		Adjustments to reconcile the profit for the year to net cash generated from operating activities:		
2,639	1,251	Depreciation and amortisation expense	295	261
2	-	Loss on sale of assets [Net]	1	-
(522)	(1,842)	Profit on sale of investments [Net]	(4)	(1,535)
(535)	(2,039)	Interest income	(10,944)	(4,484)
		Fair value gain on financial instrument at fair value through statement of profit and Loss	-	105
(14)	(7)	Interest expense	14,029	2,993
13,991	3,009	Dividend Income	-	(141)
-	-	Profit elimination of acquired business	-	-
-	(1,139)	Changes in operating assets and liabilities; net of effects from acquisitions:		
(1,898)	(703)	[Increase]/ Decrease in trade receivables	607	(502)
(3,493)	(3,877)	[Increase] in other assets	(456)	(1,514)
(5,927)	24	[Increase] / Decrease in inventories	(666)	58
9,287	8,501	Increase in trade payables and other liabilities	610	3,960
428	2,312	Re-measurement of Employees benefits [net]	193	(29)
-	(1,316)	Change in Non Controlling Interest	-	-
26,085	21,237	Cash generated from operations	(1,829)	8,888
(160)	(6,299)	Direct taxes paid [net of refunds]	33	(270)
25,925	14,938	Net cash from operating activities	(1,796)	8,618
		Cash flows from investing activities:		
(2,463)	(1,707)	Purchase of property, plant and equipment and other intangible assets	(851)	(410)
-	(464,292)	(Purchase)/Redemption of Non Current Investments in subsidiary [net]	16,194	(368,707)
-	-	Loan to Subsidiaries	(136)	(112,000)
13	1	Proceeds from sale of property , plant and equipment	6	-
-	-	Decrease in investment in partnership firm	-	14,362
522	1,842	Profit from sale of current investments	4	1,535
-	10,153	Proceeds from sale of current investments	-	-
(6,417)	-	Investment in mutual funds [net]	-	14,650
-	35,799	Investment in Fixed Deposit [net]	(351)	35,290
(513)	-	Proceeds from Fixed Deposit [net]	-	-
-	-	Dividend received	-	141
535	2,039	Interest received	10,891	1,995
(8,323)	(416,165)	Net cash used in investing activities	25,757	(413,144)
		Cash flows from financing activities:		
(5,020)	4,425	Current Borrowings [Net]	(4,470)	4,150
-	150,000	Long term Borrowing	-	150,000
(14,006)	(3,009)	Interest Paid	(14,046)	(2,993)
(5,758)	(3,121)	Dividends paid	(5,758)	(3,121)
(1,185)	(642)	Tax on dividend paid	(1,185)	(642)
-	1,859	Proceed from issued of Equity share capital	-	1,859
-	255,641	Proceed from share premium	-	255,641
(25,969)	405,153	Net cash used in financing activities	(25,459)	404,894
(8,367)	3,926	Net increase in cash and cash equivalents	(1,498)	368
13,815	2,959	Cash and cash equivalents at the beginning of the year	1,691	1,323
-	6,930	Cash and cash equivalents at the acquired subsidiaries	-	-
5,448	13,815	Cash and cash equivalents at the end of the year	193	1,691

By Order of the Board,
For Zyduz Wellness Limited,



Dr. Sharvil P. Patel
Chairman