

YOUR WELLNESS **IS OUR WORLD**



Zydus
Wellness

ANNUAL REPORT | 2021 - 22



VISION

We bring wellness to your life. We will create new experiences by our products that will nourish, nurture and energise your life. We shall lead the way through innovation.

OUR DNA

To build new emergent categories with differentiated product propositions.

Philosophy of building products which are good for you.



CORPORATE INFORMATION

Board of Directors

Dr. Sharvil P. Patel
Chairman

Tarun Arora
Chief Executive Officer &
Whole Time Director

Kulin S. Lalbhai
Independent Director

Srivishnu R. Nandyala
Independent Director

Dharmishtaben N. Raval
Independent Director

Ashish P. Bhargava
Nominee Director

Ganesh N. Nayak
Non-Executive Director

Savyasachi S. Sengupta
Independent Director

Chief Financial Officer

Umesh V. Parikh

Company Secretary

Dhanraj P. Dagar (upto May 9, 2022)

Bankers

Bank of Baroda
Ashram Road Branch
Ahmedabad

HDFC Bank Limited
Navrangpura Branch
Ahmedabad

ICICI Bank Limited
JMC House Branch
Ahmedabad

HSBC Bank
M.G. Road Branch, Mumbai

CITI Bank
Fort Branch, Mumbai

State Bank of India
CAG Branch, Ahmedabad

Statutory Auditors

M/s. Mukesh M. Shah & Co.
Chartered Accountants

Cost Auditors

M/s. Dalwadi & Associates
Cost Accountants

Secretarial Auditors

M/s. Hitesh Buch & Associates
Practicing Company Secretaries

Registered Office

Zydus Corporate Park,
Scheme No. 63, Survey No. 536,
Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle,
Sarkhej-Gandhinagar Highway,
Ahmedabad - 382481

Registrar & Share Transfer Agent

Link Intime India Private Ltd.
506-508,
Amarnath Business Centre - I,
Beside Gala Business Centre,
Off C. G. Road, Ellisbridge,
Ahmedabad - 380006

Works

7A, 7B & 8,
Saket Industrial Estate,
Sarkhej Bavla Road,
Ahmedabad,
Village: Moraiya
Taluka: Sanand
District: Ahmedabad

CIN

L15201GJ1994PLC023490

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Notice of AGM 202

Forward-looking Statements

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set-out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Business

Zydus Wellness combines the best of personal care, nutrition and consumer wellness range of products in its brand portfolio. Zydus helps people pursue integrated well-being through its wide range of products. The Company is engaged in the development, production, marketing and distributions of its market-leading brand portfolio.

Product Portfolio

The Company's product portfolio includes popular brands with functional benefits like Glucon D, Complian, Sugar Free, Nycil, Everyuth, Nutralite and Sugarlite.

Scale

Manufacturing operations of Zydus Wellness Limited are spread across five manufacturing facilities - one each at Ahmedabad (Gujarat), Aligarh (Uttar Pradesh), Sitarganj (Uttarakhand) and two at Mamring (Sikkim).

Presence

Headquartered in Ahmedabad, the Company enjoys a pan-India marketing presence through a distribution network comprising 1700+ distributors and ~2000 feet-on-street representatives. The Company's distribution competence has been facilitated by investment in 24 integrated warehouses, which can serve both its cold chain and ambient range of brands.

Listing

The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited.

Compliance

The Company's manufacturing plants are accredited for FSSC 22000 and ISO 14001, GMP certification as applicable, validating process, quality consistency and food safety.

Brands				
	Category	Mkt. Rank	Mkt. Share	
	Glucose Powder	1	58.5%	
	MFD	4	5%	
	Sugar Substitute	1	95.7%	
	Blended Sugar	NA	NA	
	Prickly Heat Powder	1	33.7%	
	*Facial Cleansing	5	6.5%	
	Scrub	1	39%	
	Peel-off	1	76.2%	
	Fat Spread	1 [#]	NA	
	Dairy	NA	NA	

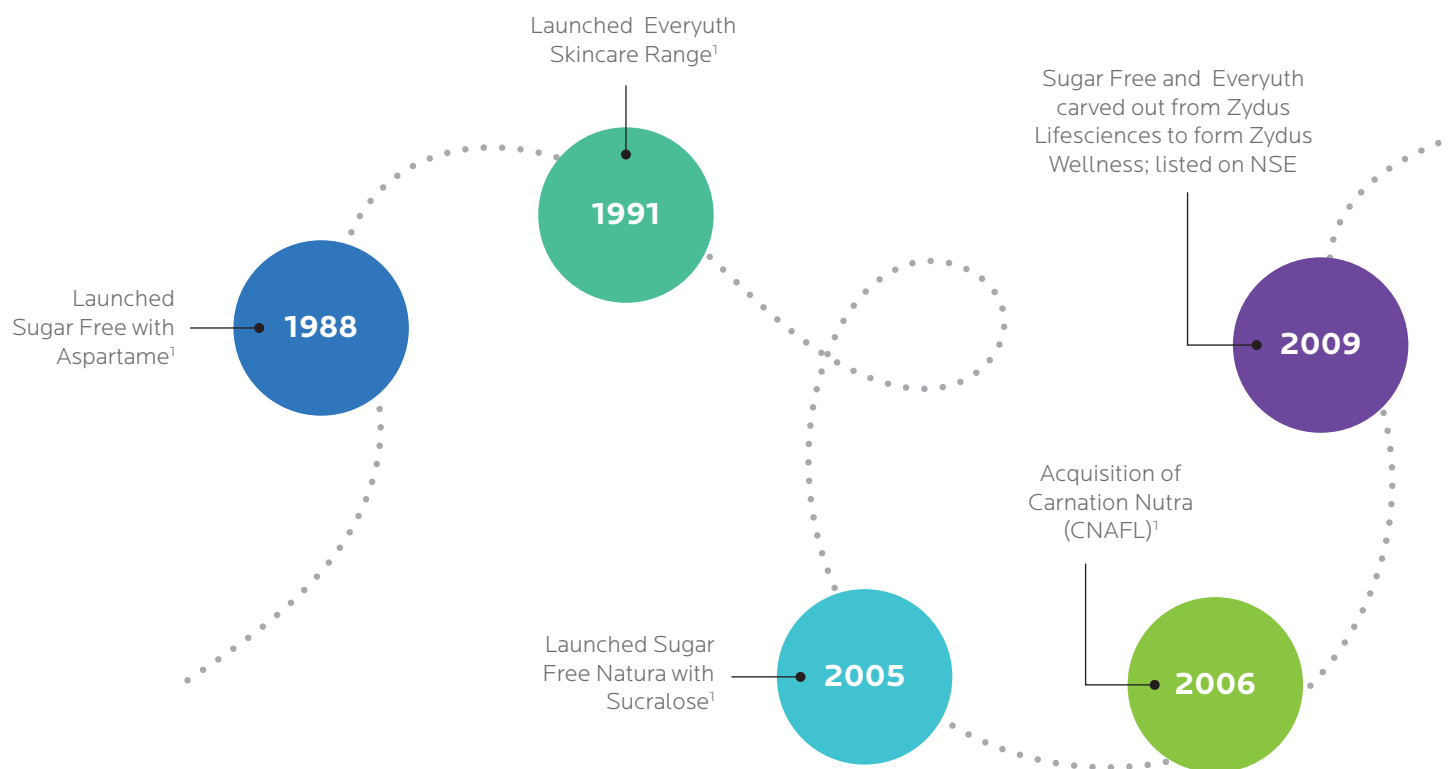
Market share source: MAT March 2022 report as per Nielsen and IQVIA.

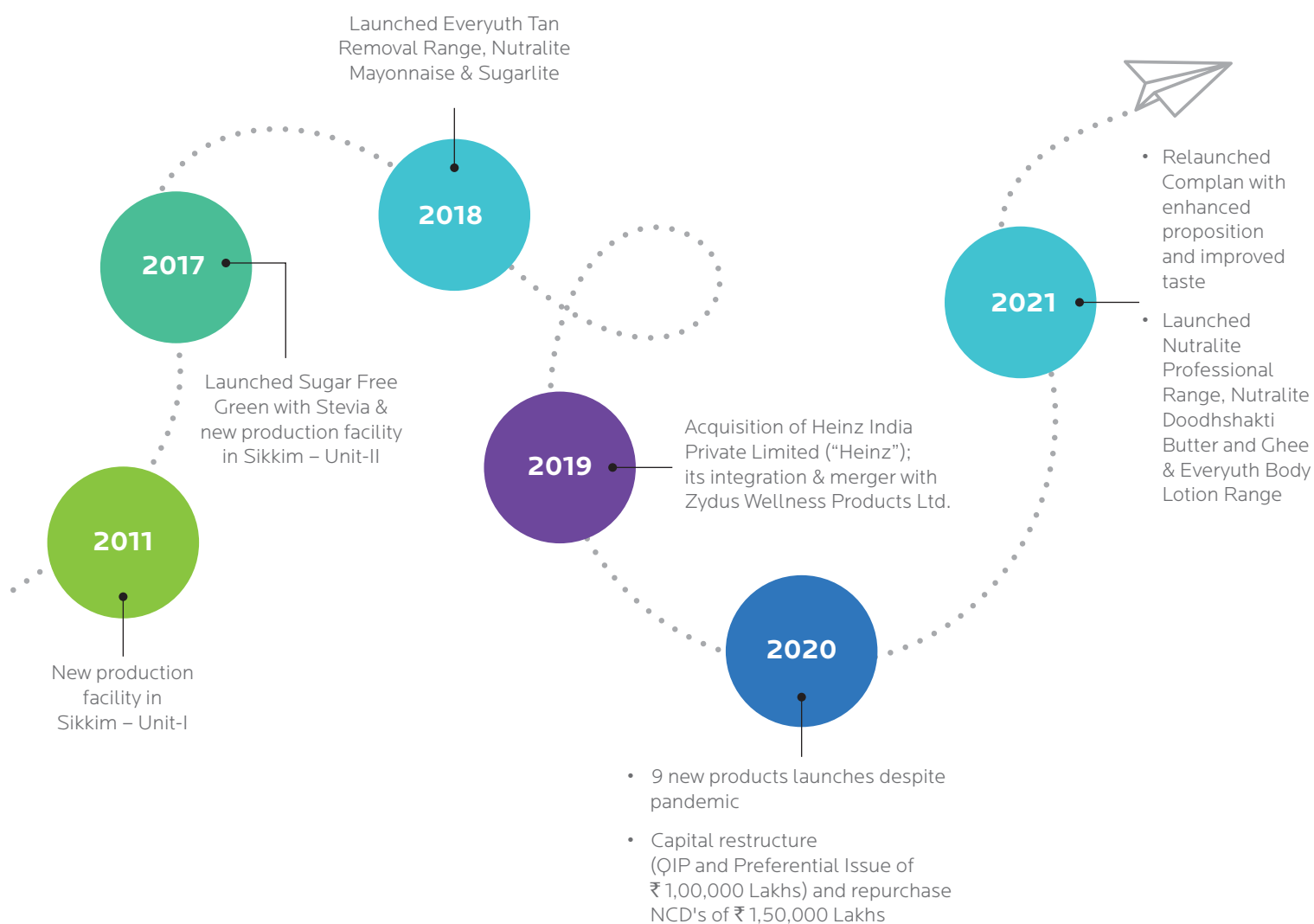
*Everyuth market rank 5 is at total facial cleansing segment which includes Face Wash, Scrub, Peel-off, Face Masks #Market rank as per the Company's estimate.

Shareholding Pattern and Market Capitalisation

64.8% Promoter and Promoter Group Holding, March 31, 2022	12.5% Institutional Holding, March 31, 2022	2.6% FII Holding, March 31, 2022	20.1% Other Holding, March 31, 2022	₹ 9,54,959 Market Capitalisation, March 31, 2022 (₹ in Lakhs)
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KEY MILESTONES IN OUR JOURNEY





Zydus Wellness

Source: Company information

Note: 1 Milestones that happened before the Company was carved out from Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited)



OUR PERFORMANCE OVER THE YEARS

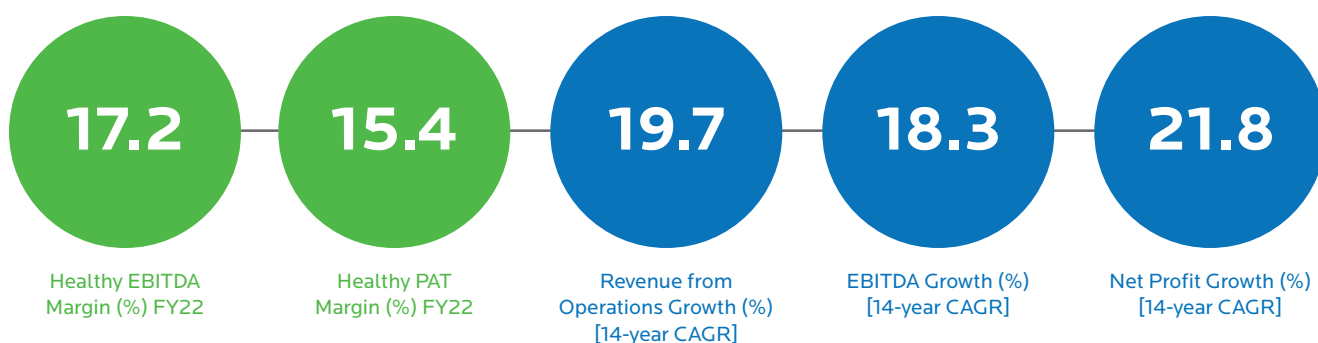
Revenues

PERFORMANCE, FY2021-22

The Company has registered growth of 7.6% (over previous financial year) on Total Revenue from Operations, which stood at ₹ 2,00,910 lakhs. This is despite the fact that there has been a surge in inflation and a rise in geopolitical issues which have impacted consumer sentiments; softening consumer demand. The summer-heavy brands like Glucon-D and Nycil have struggled for the second year in succession due to COVID wave witnessed during the summer season. In order to mitigate the impact of inflation in key inputs, the Company resorted to calibrated price increase across the portfolio of its brands towards the end of quarter three of financial year. This alongside the cost rationalisation measures helped the Company consolidate its gross margin towards the end of the financial year.

- EBITDA was up by 0.1% y-o-y to ₹ 34,475 lakhs
- PBT before exceptional items was up by 25.2% to ₹ 30,602 lakhs
- Reported Net Profit was up by 160.1% to ₹ 30,887 lakhs. However the adjusted Net Profit (before exceptional items) was up by 23.1%

MARGINS ARE IN TOP QUARTILE OF THE FMCG SPACE





BRAND PERFORMANCE

Glucon-D has maintained its **number one position** with a market share of **58.5%** in the Glucose Powder Category

Complan has a market share of **5.0%** in the Health Foods Drinks (HFD) Category

Sugar Free continues to hold its leadership position in Sugar Substitute Category with a market share of **95.7%**

Nycil has maintained its **number one position** with a market share of **33.7%** in the Prickly Heat Powder Category

Everyuth Scrub has maintained its **number one position** with a market share of **39.0%** in the Facial Scrub Category, which is an increase of 367 basis points over the same period last year

Everyuth Peel off has maintained its **number one position** with a market share of **76.2%** in the Peel-off category

Everyuth brand is at **number five position** with market share of **6.5%** at overall Facial Cleansing Segment level

As per the MAT March'22 report of Nielsen and IQVIA

BUSINESS MODEL

At Zydus, we have continuously reviewed, adapted and reinforced our business model. This proactive responsiveness in a rapidly-evolving market environment has translated into attractive growth across market cycles.



“

Our purpose is to enrich lives with healthier choices, now and for generations to come – this inspires all that we do. From our strategic initiatives, to business and financial goals, this purpose brings in better focus and urges us to innovate for the better; it leads us to create future opportunities to grow and expand. We are inspired that our ideas and our world of wellness makes a meaningful difference in people’s lives. I am confident our efforts will add value to our portfolio of category-defining iconic brands.

”

Dr. Sharvil P. Patel
Chairman