

## "Zydus Wellness Limited Q4 FY '19 Earnings Conference Call"

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LIMITED

MR. TARUN ARORA - CEO AND WHOLE-TIME DIRECTOR,

**ZYDUS WELLNESS LIMITED** 

MR. GANESH NAYAK – DIRECTOR, ZYDUS WELLNESS

LIMITED

MR. NITIN PAREKH – GROUP CFO, ZYDUS WELLNESS

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FINANCE), CADILA HEALTHCARE



Moderator:

Ladies and Gentlemen, Good Day and Welcome to the Zydus Wellness Limited Q4 FY '19 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' and then '0' on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Tarun Arora – CEO and Whole-Time Director, Zydus Wellness Limited. Thank you and over to you, Sir.

Tarun Arora:

Good Evening and Welcome to the post result's teleconference of Zydus Wellness Limited for Quarter-4 Financial Year 2018-19. We have with us Dr. Sharvil Patel, Chairman; Mr. Ganesh Nayak, Director; Mr. Nitin Parekh, Group CFO; Mr. Umesh Parikh, CFO; and Mr. Vishal Gor, Senior Vice President, Corporate Finance at Cadila Healthcare. During the year under the review, we have successfully completed the acquisition of Heinz India Private Limited, which is called as Heinz India here, a subsidiary of Kraft Heinz on January 30, 2019. In the year gone by, Zydus Wellness became the partnership firm was converted into a company with the change of name to Zydus Nutritions Limited. Heinz India has subsequently been merged with Zydus Nutritions Limited through a scheme of amalgamation approved by Ahmedabad bench of Honorable NCLT vide its order dated May 10, 2019, with the appointed date being March 1, 2019, and effective date being May 24, 2019. Since the consolidated financial results for Financial Year 2018-19 include operating results of Heinz India for the period from January 30, 2019, to March 31, 2019. The financial numbers pertaining to Financial Year 2018-19 are not comparable with those pertaining to previous financial year. On the consolidated basis, our total income from operations grew by 216% to Rs. 4162 million during the fourth quarter of Financial Year 2018-19 and by 61.7% to Rs. 8428 million during the Financial Year 2018-19. Consolidated profit after tax stood at Rs. 623 million for the fourth quarter up 72% and Rs. 1691 million for Financial Year 2018-19 up 26.3%.

Against a strong double-digit growth in past three quarters, the last quarter saw a slowdown that was largely led by sluggishness across consumer sector mainly driven by liquidity crunch. During the quarter gone by, our key brands namely Sugar Free, Everyuth scrub, and Everyuth peel off, Glucon-D, and Nycil have been leading in their respective category. Let me take you through the highlights of the consolidated financial performance of Quarter-4, Financial Year 2018-19. The term adjusted income from operations, EBITDA, PBT and PAT exclude central capital subsidy income of Rs. 1.6 million recognized during Quarter-4 of the current year and Rs. 14.6 million received during the Quarter-4 of the previous year. During the fourth quarter of the Financial Year 2018-19, our adjusted total income from operations has increased by 219.5% year-on-year to Rs. 4160.1 million, while our reported EBITDA was up by 127.4%, adjusted EBITDA was up by 137.4% year-on-year to Rs. 758.5 million. Adjusted profit before tax was up by 27% to Rs. 493.2 million, and adjusted net profit was up by 78% to Rs. 621.1 million.

Coming to the annual consolidated financial highlights:



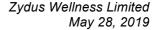
The terms adjusted income from operations, EBITDA, PBT, and PAT exclude additional excise duty credit of Rs. 94.8 million received during the current year and Rs. 180 million received during the previous year. Central's capital subsidy income of Rs. 27.7 million recognized during the current year and Rs. 14.6 million received during the previous year. Our adjusted total income from operations increased by 69.5% year-on-year to Rs. 8306 million during the year, our adjusted EBITDA was up by 53.2% year-on-year to Rs. 1621 million. EBITDA margins as a percentage to total income from operations stood at 19.5%. Adjusted profit before tax was up by 21.6% to Rs. 1584 million. Adjusted net profit was up by 34.6% to Rs. 1569 million. Our consolidated cash position stood at Rs. 2130 million including investments made in liquid funds. Our consolidated CAPEX for the year was Rs. 46.6 million.

With that, let me share some of the highlights of operations for the year gone by:

We continued our thrust-on marketing initiatives to grow the categories and increase market share of our brand during the year. To narrate a few on Sugar Free front, during the year we continue to invest behind the brand through media campaigns to drive Sugar Free Thematic, TVC and launch the new TVC campaign which was about increasing the relevance and turning up safety credentials. Continuing our constant endeavour to expand sugar substitute category, we launched exciting innovations during the year like Sugar Free Green Veda which is an Ayurvedic range of sweeteners and Sugarlite are 100% natural blended sugar with 50% less calories than that of normal sugar. These innovations were fully supported by new TVC campaigns for the product coupled with branding and sampling rise on E-commerce platform and in key stores and also air flight sampling add to it through IndiGo Airlines.

On the Everyuth front, during the year gone by Everyuth has witnessed strong growth momentum across all the segments including the newly launched Everyuth tan removal range. We have continued to support all our segments through various media campaigns and visibility drives through beauty advisors and promoters thereby establishing the new range on ground to drive the category. E-commerce business has posted an exponential growth for brand as well. On the Nutralite front, during the year gone by Nutralite has continued to deliver good volume growth. The brand was backed by various media and non-media initiatives like advertising campaign with celebrity Chef, Sanjeev Kapur, interactive recipe videos with Chef Sanjeev Kapur for Nutralite Mayo and endorsement of Chota Bheem for Mayo to appeal to kids. Coming to the acquired portfolio of Heinz, on the Complan front we continue to invest behind the brand through media to increase relevance and salience in the brand especially in key markets of Tamil Nadu and West Bengal. We have commenced spending on digital and print in West Bengal in addition to television. We have also initiated medical detailing with investments in chemist channel in select geographies as a pilot. E-commerce continues to grow strongly for the brand.

On the Nycil front, Nycil has been re-launched with a new clinically proven formula which gives visible results against prickly heat in three days along with the change in packaging. Two new variants of Cool Aloe and Cool Lime have been launched and have received favorable initial





response. These initiatives have resulted in strong market share gain especially where the strong recovery in the key market in South.

On the Glucon-D front, the late-onset of summer has caused slowdown in the growth in the quarter, but the brand continues to be competitive with strong market share gains. We have stepped up our investments in the brand, we expect to deliver a good season. As per the MAT March '19 report of Nielsen, the sugar substitute category growth rate is at 1.4%, Sugar Free has maintained its Number One position with the market share of 83.8%.

The facial scrub category has grown by 19%, Everyuth scrub has maintained its Number One position with a market share of 32.4%. The peel off facemask category has grown by 19.6%, Everyuth peel off mask has maintained its Number One position with a market share of 84.9%. The Prickly Heat powder category has grown by 10.8%, Nycil has maintained its Number One position with the market share of 32.1%. The Glucose powder category has grown by 10.9%, Glucon-D has maintained its Number One position with a market share of 59.5%. The MFD category has grown by 8.9%, Complan has a market share of 6%. To conclude, Zydus Wellness has started on an exciting journey of becoming the leading consumer health and wellness player in the country.

With the portfolio of leading brands, we hope to grow into a stronger and more profitable business. Thank you and we will now start the Q&A session.

**Moderator:** Thank you very much. Ladies and Gentlemen, we will now begin with the question and answer

session. The first question is from the line of Kaustub Pawaskar from Sharekhan Limited. Please

go ahead.

Kaustub Pawaskar: Sir, my first question is on what is the like-to-like growth for Zydus Wellness for Quarter-4 and

for FY 2019 in terms of revenues and in terms of EBITDA?

**Tarun Arora:** In terms of revenue, it is close to 7% about 6.8 for the quarter. We have seen, I have mentioned

in my message as well that we have seen a slowdown because especially in couple of months initially on account of liquidity crunch leading **to** wholesale slowdown. For the whole year, it is

close to 13% in terms of sales growth for the full financial year.

**Kaustub Pawaskar:** What would be the operating margins excluding the Heinz for Quarter-4 and FY '19?

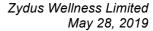
**Umesh Parikh:** Margins compared to the Financial Year are lower by 14% and that is on account of two reasons.

One is that we have been making investment behind our NPD, and second reason is that there are certain one-off item related to Merger and Acquisition and because of these two reasons, margins

are lower.

**Kaustub Pawaskar:** So, this is for the quarter, operating profit?

**Umesh Parikh:** This is for the quarter and full year both.





**Kaustub Pawaskar:** Sir, what would be your direct distribution reach including Heinz now?

**Tarun Arora:** We have a similar distribution reach in two businesses where they are running parallelly. As it is

early days, we will be looking at building the distribution reach for all our brands in the coming

quarter, so once we are ready for that we will share the data.

**Dr. Sharvil Patel:** So we will move from 2.2 lakhs to 3.5 lakhs at least.

**Kaustub Pawaskar:** This will be in FY 2020, 3.5 lakhs?

**Tarun Arora:** Yes, that is the kind of distribution reach we believe in next few quarters.

Kaustub Pawaskar: Thanks. One last one, Sir you mentioned about Complan, can you just elaborate on what exactly

you are planning to do about the brand, we know that MFD is a big category in South and Eastern markets, so how you are planning to go about the brand and what exactly are you

planning to re-launch it or something in terms of innovation in that particular category?

**Tarun Arora:** This acquired business is about all the three brands where Glucon-D, Nycil, and Complan all

matter and I think we believe the season will be good for Glucon-D and Nycil and we see enough action on that. I think Complan we do not need to re-launch, it has just been re-launched and we believe as long as we focus on the core and focus on that core benefit of height, we are on the

right path on it, some action as they happen we will obviously share as we go.

**Kaustub Pawaskar:** Sir, Heinz revenues for FY 2019 and operating profit?

Umesh Parikh: For Heinz, as you know we have acquired Heinz on January 29, so we have about two months

sales data available with us and two months sales is 265 crores and operating income is 278

crores.

**Kaustub Pawaskar:** What would be the operating margins?

**Umesh Parikh:** It is in the range of 20%.

**Moderator:** Thank you. We take the next question from the line of Tejas Shah from Spark Capital. Please go

ahead.

Tejas Shah: Sir, Zydus Wellness like-to-like margin you said lower by 14%, I did not get it, what was the

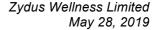
exact operating margin for this quarter and for this year?

Umesh Parikh: We have said that is on account of two reasons, one is that we have made investment behind our

NPDs during the year, and the second reason is that we have certain one-off expenses on account

of Merger and Acquisitions that have been expensed out during the year.

**Tejas Shah:** So EBITDA is lower by 14% or EBITDA margin is?





**Umesh Parikh:** Lower in terms of value.

**Tejas Shah:** Sir, if you can give us some update if possible because now we are almost four months in this

process, how is the integration coming along in terms of manufacturing, human resource, distribution, where are we, and how soon you believe that the whole synergies will start playing

out in terms of plan ad?

Tarun Arora: I think we have used last four months since we have been into the business, understanding and

learning about the business, we are working with the team and we believe is shaping up well. We had concerns on season which matters a lot on Glucon-D and Nycil. We have seen that the onset of summers a bit delayed, but we are seeing good response to our brands and it will take us few

quarters before we can share specific synergy outputs.

**Dr. Sharvil Patel:** But also on the overall front, I would as I said the Nycil and Glucon-D took are on good track to

achieve this year's numbers, Complan with the re-launch and with the important consumer initiatives that we are going to take, we see that there will be a revival on that brand in the second half of this year, and more importantly we are working on Complan since last four

months and you will start seeing majority of the results from July onwards.

**Tejas Shah:** Coming to Complan, have the brand last market YOY because I believe when we discussed first,

it was 8% and now 6% you said today?

**Tarun Arora:** It is at the same range around 6% for some time, even a year back also was 6%. It has lost some

15 to 20 basis points over the last couple of quarters, but that is I think recoverable thing.

**Tejas Shah:** Sir, you mentioned that our plan will be somewhere around on this brand to focus on core, but if

we look at the market leaders experience of the not going and how they have made interventions in order to come back is largely to launch premium products because that is where apparently the market is growing, so you believe that the same core formula will actually make us to come back

into the market to gain market share?

**Tarun Arora:** We believe there is a strong traction for Complan, we have to stick to the basics. There is enough

opportunity for next couple of years, there will be obviously more work around it, but I think there is core that has more potential of Complan. It has moved its large share over the last few

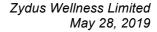
years, which we can revive by going back to the basics of what the brand stands for.

**Dr. Sharvil Patel:** On the critical core markets where it is strong, I think we are able to focus and drive home the

message of the core proposition which we can scientifically and clinically prove, I think we will

gain significantly again.

**Tejas Shah:** So, there will be some product innovation as well apart from planned investments?





**Dr. Sharvil Patel:** There will be, but I was talking more of the short-term that the current formulations have enough

scope to do well and then we will do the right segmentation as you were discussing to come out

with different variants.

**Tejas Shah:** These four key markets will be which areas?

**Dr. Sharvil Patel:** Largely, South and East.

**Tejas Shah:** Over there, our market share is higher or it is in the same range?

**Dr. Sharvil Patel:** Specifically, in East we have a market share which is substantially higher than the others.

**Tejas Shah:** Sir, lastly bookkeeping one, the Sikkim once we denotify it as a partnership firm, does it impact

our tax rate?

**Umesh Parikh:** No, it does not impact because it is available to a unit and not the company.

Moderator: Thank you. The next question is from the line of Benoy Jariwala from Suniddhi Securities.

Please go ahead.

Benoy Jariwala: One question is on the Zydus Wellness portfolio, what was our volume growth for Quarter-4 of

FY '19 as well as the whole of FY '19?

Tarun Arora: It will be similar to what I have mentioned because we have last year not taken any price

increases, so it will be closer to a 7 for the quarter and 13 for the year.

Benoy Jariwala: In HIPL, we have booked goodwill of roughly about 3800 crores, will all of that goodwill be

eligible for tax deduction?

**Umesh Parikh:** Yes, it is depreciation on IP which will be available for tax deduction.

**Benoy Jariwala:** During this period, would you still have to pay MAT or you would not even be paying MAT?

**Umesh Parikh:** Depending on the profit and growth, it will be zero to kind of low single digit.

Benoy Jariwala: Likewise, you have booked another 540 crores in the intangible assets, which I believe could be

brand or trademark or something on those lines, would that also be tested for impairment and

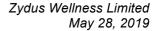
likewise be eligible for tax deduction?

**Umesh Parikh:** That will be tested for impairment and that is eligible for tax deduction.

Moderator: Thank you. The next question is from the line of Varun Goel from Reliance AIF. Please go

ahead.

Varun Goel: Just to clarify, this whole 3800 crores is available for amortization, is that correct?





**Umesh Parikh:** Yes, that is correct.

**Varun Goel:** Over what period will we be amortizing it?

**Umesh Parikh:** That depends on the depreciation rate under the income tax act and in the books of account.

Varun Goel: In terms of this 1500 crores NCDs, what is the effective interest rate for us?

**Umesh Parikh:** It is 9.14% semi-annually.

Varun Goel: This we would be completely repaying over what period, I think the note says three principal

repayments, so if you can just give us a picture of by when and what is the yearly payments that

are due for the company?

**Umesh Parikh:** Repayments start in January 2022 and it will be payable in three equal installments of 500 crores

each.

Varun Goel: That repayment will be done through another debt or we believe our internal accruals will be

sufficient to pay off the entire 1500 crores?

**Umesh Parikh:** We believe that our internal accrual will be sufficient to make the payment.

Moderator: Thank you. We take the next question from the line of Monica Joshi from Hornbill Capital.

Please go ahead.

Monica Joshi: Just confirming the data point that you shared, you said it is 7% like-to-like growth for the

quarter is Zydus Wellness, is that correct?

**Tarun Arora:** Yes, that is correct.

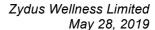
**Monica Joshi:** 7% for the quarter and 13% for the year, is the number correct?

Tarun Arora: Yes.

Monica Joshi: In terms of I think this question was asked in a slightly different way earlier, you have this asset

with you for the last few months now, if you can just breakdown for our benefit, in the next one year, three years and the next five years, how does the integration process work, what are the low hanging fruits that you have in propelling the growth rate ahead from what this company has historically done and what are the margin levers that you, I believe that you have hired a consultant to help you through this equation further, so how will you take this and what should be seen in terms of low-hanging fruits in the first one or two years and you know eventually in

the next few years as an integrated organization?





Tarun Arora:

Monica, this is a long question, I will give you very quick short answer that should as headline, so first of all I think from what we have understood of the business, both before taking it and now having spent four months, I think this business has strong brand. We expect in our short term over next one year to be growing at high single digits. Eventually, we will take it to a double-digit growth subsequently. We believe it is going to be and we have given in our earlier projections as well, we believe we will improve the combined EBITDA to closer to the levels that our business has had Zydus Wellness. We see value key drivers, there are synergy values that we will be looking at both procurement, supply chain, and other areas which will help us improve our both cost efficiencies and synergy overall cost structure, so that should help us drive both EBITDA and give us money to invest behind the brand. Obviously, you know the standard two critical ingredients which we believe will go into the story, building up the story, will be behind innovation and distribution expansion which is something we believe we will be able to bring to the combined entity together.

Monica Joshi:

What is the timeframe that you have to bring this from this 20% EBITDA level to Zydus Wellness' current margin?

Tarun Arora:

We believe it may take us three to four years, three years would be a good timeframe to start expecting that.

Monica Joshi:

You can see the benefits drawing from the first year itself, incrementally?

Tarun Arora:

Yes, incrementally from the first year itself and we will share when we have the full clarity and we will be able to share as and when we move forward, but we see it every year.

Monica Joshi:

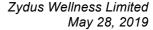
Tarun, the last question is we have done a lot of innovations on our own portfolio in the last couple of years and we are just in the Facewash segment and in the Sugar Free segment, so how is the new product development shaped up in terms of both contribution from sales and what is your expectation on how it should add to the basic other portfolio excluding the Heinz portfolio in the next few years in terms of contribution to sales?

Tarun Arora:

Fundamentally, I think innovations have been fairly useful, not every innovation has worked to our expectations, but overall product launch in last three years account for about 4% of the business which was close to 1 odd percent about few years back. We believe a good number will be between 5% to 7% if we have to balance it. We are not looking at launching any new brands, but largely extensions within our portfolio is what we do. In the acquired portfolio also, we will be able to add some extensions looking at various used cases and some opportunities as we see, but those take anything between six months to 18 months to start pulling it together, but that is how we are building it.

Monica Joshi:

We were speaking about something like salad dressing or Mayo, if I am not mistaken, are those on the table still or we would still be interested in participating in those markets?





**Tarun Arora:** We are already participating in Southeast markets, we also have to be cautious on how many

extensions we launch so that we stay on the course in terms of our resource allocation for these, but I think otherwise if we get into a little bit more detail, I think we should pick it up in more

detail separately if required.

**Moderator:** Thank you. We take the next question from the line of Benoy Jariwala from Suniddhi Securities.

Please go ahead.

Benoy Jariwala: Just wanted to check, how was the gross margin on the Heinz India portfolio in these two months

of consolidation, and second is that, have we started rationalizing trade loads on this portfolio?

**Tarun Arora:** The gross margins are in the range of 54% to 55% and in terms of trade loads, not significantly

but we have seen one or two opportunities which we have exercised, but it is too early to start

doing it

**Benoy Jariwala:** Going ahead, when we are rationalizing the trade loads at full-scale where could this gross

margin move up to?

Tarun Arora: I think we have a calibrated plan for it, it will take some time because we have a running

business, there is a history to it, so it will not happen overnight.

Tarun Arora: The new marketing initiatives have to work the off takes have to significantly improve, then we

can look at trade margins and other things because currently we are in the state of making sure

that the brands start growing better.

Benoy Jariwala: What is the advertisement and sales promotion expenses in HIPL portfolio, I think they are

significantly lower than the Zydus Wellness portfolio?

**Tarun Arora:** The percentage to sales they are lower.

**Benoy Jariwala:** Yes, so what percentage of sales would it be?

**Tarun Arora:** It is too early. We will not be able to give that number now because we just had three months in

it.

**Dr. Sharvil Patel:** We will give you a guidance on this of how we want to build this business model about couple of

quarters down the line.

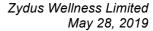
Benoy Jariwala: Last question is what was the one-time expense that we booked with regard to the HIPL

acquisition?

Tarun Arora: Basically, it is expense on this due diligence exercise while we also did the merger of Heinz

India into Zydus Nutrition, so those consultant expenses and other duty and other expenses were

debited as one-time expenses to P&L.





**Benoy Jariwala:** Is it a substantial amount as to have a huge impact on the margin or not?

**Tarun Arora:** Zydus Wellness did not have that large profits, so that all amount will make a difference.

**Moderator:** Thank you. We take the next question from the line of Sanjeev Panda from Tamohara. Please go

ahead.

Sanjeev Panda: Sir, the Sugarlite that we launched recently, could you please help us how it is taking traction

and how is it contributing, the number might be small but wanted to take any qualitative light on

it?

**Tarun Arora:** Qualitatively, just two points on this. We are a little behind in our internal milestones, but the

good part is that whoever has tried the product is showing good repeat so our key focus will be in

increasing the trials and increasing our reach.

**Sanjeev Panda:** Any number to quote, Sir, in terms of reach or may be in terms of milestone or something?

Tarun Arora: Too early, but we had internally looked at about our lack of direct distribution which we have

worked out to launch.

Sanjeev Panda: For the Heinz, Sir, working capital how things are at because it is already three months and you

can understand, so compared to our existing line of business?

Umesh Parikh: As you know that Heinz business is bit seasonal and mostly it is a negative working capital

business, but in the times of season, there is a slight positive working capital.

Sanjeev Panda: What has contributed there in terms of growth in Heinz, this year as in want to highlight in the

top 10 growth category?

**Tarun Arora:** We have not had any significant growth in these two months, in fact the late-season has impacted

the growth which we see a good positive momentum once the season has come up, some of them

have comes strongly in April.

Moderator: Thank you. The next question is from the line of Tejas Shah from Spark Capital. Please go

ahead.

**Tejas Shah:** Sir, your plate seems more than full for FY '20 and we understand that all opportunities cannot

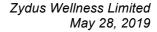
be addressed together, so how are we prioritizing our brand portfolio in terms of focus brands for the first half or the full-year and then followed by the brands that we will address later or are we

going all out and investing in all the brands and categories together?

**Tarun Arora:** We have got the organization's enough capacitized to address all the brand objectives that we

have. Our priority at this time was to get the season right for especially Glucon-D and Nycil

which have a short summer window, which we have addressed but all our initiatives I think we





have sufficiently capacitized to ensure none of these, but key tasks also would be to ensure that we create a stronger integrated organization which is the work we are doing along with consultants.

Tejas Shah:

Sir, Sampreeti Ghee was missing from discussion today and even in press release nothing has been mentioned, any update on that?

Tarun Arora:

It is largely a byproduct business and we have not made any significant changes that will follow a bit later once the rest of the brands are sorted, so it is an outcome of what happens on Complan and it is therefore a byproduct, so we have seen no significant growth there. It is largely institution and that also not the institution, may be Nutralite is largely sold to CSD or sold in large quantities to big buyers.

Dr. Sharvil Patel:

Our plan is to move it to towards the brand Nutralite and more consumer facing, so that will be a little longer term initially.

Tarun Arora:

No short-term updates really to share.

**Moderator:** 

Thank you. The next question is from the line of Kaustub Pawaskar from Sharekhan. Please go ahead.

Kaustub Pawaskar:

Sir, one question on the Nutralite brand that for the year FY 2019, how the brand has performed considering the fact that we have done some innovations on the brand itself, so how was the performance and overall from the category perspective, how do we expect the category Nutralite to grow in the coming years?

Tarun Arora:

Nutralite now I think this is third year running, we have seen good double-digit growth and we believe and it is very volume led, so we believe that is the way to continue to build on this brand, that is value restoring. I think going forward also, we will continue to grow at that pace is how we expect.

Kaustub Pawaskar:

In terms of the breakup between the institution and retail, it still remains at 75:25 or there has been some improvement?

Tarun Arora:

Similar levels.

**Moderator:** 

Thank you. The next question is from the line of Saurav Jain from Shushil Finance. Please go ahead

Saurav Jain:

Sir, I missed out on the growth number for sugar substitute category, if you can help me with that?

Tarun Arora:

At a MAT level, the category grew by 1.4%.





Moderator: Thank you. Ladies and Gentlemen, that seems to be the last question. I would now like to hand

the floor back to Mr. Tarun Arora for closing comments. Over to you, Sir.

**Tarun Arora:** Thank you very much, we will again connect next quarter in August.

Moderator: Thank you very much. Ladies and Gentlemen, on behalf of Zydus Wellness Limited, that

concludes this conference. Thank you all for joining and you may disconnect your lines now.