



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2020

in ₹ Crore

Sr. No.	Particulars	Quarter ended			Nine months period ended		Year ended
		31.12.2020 (Audited)	30.09.2020 (Audited)	31.12.2019 (Audited)	31.12.2020 (Audited)	31.12.2019 (Audited)	31.03.2020 (Audited)
	Income:						
I	Revenue from operations	513.01	533.48	511.25	1,506.60	1,453.01	1,894.47
II	Other Income	7.81	4.48	3.96	18.09	10.67	16.02
III	Total income (I+II)	520.82	537.96	515.21	1,524.69	1,463.68	1,910.49
	Expenses:						
IV	Cost of materials consumed	289.69	310.90	279.51	852.38	796.93	1,044.05
	Purchase of stock-in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods and work-in-progress	(3.33)	(20.35)	9.78	(27.23)	25.62	20.96
	Employee benefits expense	28.23	32.62	24.06	85.13	72.13	97.20
	Finance costs	1.46	1.11	3.76	4.39	18.17	20.93
	Depreciation and amortization expense	9.97	9.62	8.94	28.95	26.37	35.73
	Other expenses	41.17	39.01	38.40	115.65	121.30	158.38
	Total Expenses (IV)	367.19	372.91	364.45	1,059.27	1,060.52	1,377.25
V	Profit before exceptional items and tax (III-IV)	153.63	165.05	150.76	465.42	403.16	533.24
VI	Exceptional items	-	-	-	-	-	-
VII	Profit before tax (V-VI)	153.63	165.05	150.76	465.42	403.16	533.24
VIII	Tax Expense:						
	Current tax	38.71	41.76	51.11	117.90	130.49	170.90
	Deferred tax	0.11	(3.67)	1.64	(21.79)	1.64	1.05
	Total tax expense	38.82	38.09	52.75	96.11	132.13	171.95
IX	Profit for the period (VII-VIII)	114.81	126.96	98.01	369.31	271.03	361.29
X	Other Comprehensive Income						
A	Items that will not be reclassified to profit or loss						
	(i) Remeasurement of Defined benefit obligation	(0.01)	(2.07)	0.15	(2.04)	(1.98)	(2.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.57)	0.52	(0.06)	(0.06)	0.69	0.77
B	Items that will be reclassified to profit or loss						
	(i) Net movement in effective portion of cash flow hedge reserve	(0.87)	1.25	-	(0.44)	-	(0.12)
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.21	(0.32)	-	0.10	-	0.04
XI	Total Comprehensive Income for the period (IX+X)	113.57	126.34	98.10	366.87	269.74	359.77
XII	Paid-up equity share capital (Face value ₹10/- per share)	58.71	58.71	56.89	58.71	56.89	56.89
XIII	Other equity (Reserves excluding revaluation reserve)				1,126.17	687.19	756.65
XIV	Earning per equity share of ₹10/- each (for continuing and discontinued operations) (not annualised except for the year ended 31.03.2020)						
	Basic	19.54	21.61	17.22	63.45	47.64	63.51
	Diluted	19.54	21.61	17.22	63.45	47.64	63.38



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IOL CHEMICALS AND PHARMACEUTICALS LIMITED

SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

in ₹ Crore

Sr.No.	Particulars	Quarter ended			Nine months period ended		Year ended
		31.12.2020 (Audited)	30.09.2020 (Audited)	31.12.2019 (Audited)	31.12.2020 (Audited)	31.12.2019 (Audited)	31.03.2020 (Audited)
1	Segment Revenue						
	(Net sale/income)						
	- Chemicals	219.85	205.47	193.87	581.10	555.04	711.96
	- Drugs	303.67	335.93	326.48	952.65	928.95	1,221.64
	- Unallocated	5.31	4.14	2.41	13.42	6.37	9.36
	Total	528.83	545.54	522.76	1,547.17	1,490.36	1,942.96
	Less : Inter segment revenue	8.01	7.58	7.55	22.48	26.68	32.47
	Net sales/income from operations	520.82	537.96	515.21	1,524.69	1,463.68	1,910.49
2	Segment Results						
	Profit before tax and interest (from each segment)						
	- Chemicals	32.35	22.86	9.63	63.57	22.70	28.31
	- Drugs	118.46	140.10	143.87	396.49	395.55	521.57
	Total	150.81	162.96	153.50	460.06	418.25	549.88
	Less: Interest	1.46	1.11	3.76	4.39	18.17	20.93
	Add: Other un-allocable income net off un-allocable expenditure	4.28	3.20	1.02	9.75	3.08	4.29
	Total Profit before tax & Extraordinary items	153.63	165.05	150.76	465.42	403.16	533.24
3	Segment Assets						
	- Chemicals	399.42	400.17	340.92	399.42	340.92	340.91
	- Drugs	662.71	663.94	607.20	662.71	607.20	595.08
	- Unallocated	441.72	389.54	186.10	441.72	186.10	239.57
	Total Assets	1,503.85	1,453.65	1,134.22	1,503.85	1,134.22	1,175.56
4	Segment Liabilities						
	- Chemicals	137.86	137.95	122.20	137.86	122.20	127.65
	- Drugs	87.96	122.88	75.97	87.96	75.97	86.64
	- Unallocated	93.15	98.03	191.97	93.15	191.97	147.73
	Total Liabilities	318.97	358.86	390.14	318.97	390.14	362.02

NOTES:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 10, 2021.
- The financial results of the Company have been audited by the Statutory Auditors and prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has opted to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for taxation and remeasured its deferred tax liabilities basis the rate prescribed in the said Section and the resultant impact is recognised in the statement of Profit and Loss of quarter ended 30 June 2020. Therefore, income tax expense are not comparable to all periods presented in the above results.
- The Company continues to monitor the impact of COVID-19 on its business, including the impact on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Company has, as at the date of approval of these financial results, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
- The previous financial period figures have been regrouped/rearranged/restated wherever considered necessary.

By order of the Board
For IOL Chemicals and Pharmaceuticals Limited



Vijay Garg
Joint Managing Director
DIN: 06510248

Place: Ludhiana
Date : February 10, 2021

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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL RESULTS

To
**The Board of Directors of
IOL Chemicals and Pharmaceuticals Ltd.**

Opinion

We have audited the accompanying Financial Results of IOL Chemicals and Pharmaceuticals Ltd. (CIN-L24116PB1986PLC007030) (the "Company"), for the quarter and nine months ended December 31, 2020 ("the Financial Results"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results:

- (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulation; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and nine months ended December 31, 2020.

Basis for Opinion

We conducted our audit of the financial results in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Financial Results

These Financial Results, which is the responsibility of the Company's Management and approved by the Board of Directors, have been compiled from the related audited financial statements for the quarter and nine months ended December 31, 2020. The Company's Board of Directors is responsible for the preparation and presentation of the



financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.



- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified Under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the Company to express an opinion on the financial results.

Materiality is the magnitude of misstatements in the financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For and on behalf of
Ashwani & Associates
Chartered Accountants
 Firm Registration Number: 000497N
 by the hand of



Arvind Jain
 Partner

Membership No.: 097549
 UDIN: 21097549AAAAAK5720

Place: Ludhiana
 Dated: February 10, 2021