



# IOL CHEMICALS AND PHARMACEUTICALS LIMITED

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020

in ₹ Crore

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2020 (Audited)	30.06.2020 (Audited)	30.09.2019 (Audited)	30.09.2020 (Audited)	30.09.2019 (Audited)	31.03.2020 (Audited)
	<b>Income:</b>						
I	Revenue from operations	533.48	460.11	448.96	993.59	941.76	1,894.47
II	Other Income	4.48	5.80	3.39	10.28	6.71	16.02
III	<b>Total income (I+II)</b>	<b>537.96</b>	<b>465.91</b>	<b>452.35</b>	<b>1,003.87</b>	<b>948.47</b>	<b>1,910.49</b>
	<b>Expenses:</b>						
IV	Cost of materials consumed	310.90	251.79	253.13	562.69	517.42	1,044.05
	Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00
	Changes in inventories of finished goods and work-in-progress	(20.35)	(3.55)	(0.73)	(23.90)	15.84	20.96
	Employee benefits expense	32.62	24.28	24.08	56.90	48.07	97.20
	Finance costs	1.11	1.82	6.09	2.93	14.41	20.93
	Depreciation and amortization expense	9.62	9.36	8.84	18.98	17.43	35.73
	Other expenses	39.01	35.47	39.56	74.48	82.90	158.38
	<b>Total Expenses (IV)</b>	<b>372.91</b>	<b>319.17</b>	<b>330.97</b>	<b>692.08</b>	<b>696.07</b>	<b>1,377.25</b>
V	Profit before exceptional items and tax (III-IV)	165.05	146.74	121.38	311.79	252.40	533.24
VI	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
VII	Profit before tax (V-VI)	165.05	146.74	121.38	311.79	252.40	533.24
VIII	<b>Tax Expense:</b>						
	Current tax	41.76	37.43	34.76	79.19	79.38	170.90
	Deferred tax	(3.67)	(18.23)	(1.08)	(21.90)	0.00	1.05
	<b>Total tax expense</b>	<b>38.09</b>	<b>19.20</b>	<b>33.68</b>	<b>57.29</b>	<b>79.38</b>	<b>171.95</b>
IX	<b>Profit for the period (VII-VIII)</b>	<b>126.96</b>	<b>127.54</b>	<b>87.70</b>	<b>254.50</b>	<b>173.02</b>	<b>361.29</b>
X	<b>Other Comprehensive Income</b>						
A	Items that will not be reclassified to profit or loss						
	(i) Remeasurement of Defined benefit obligation	(2.07)	0.04	(2.13)	(2.03)	(2.13)	(2.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.52	(0.01)	0.75	0.51	0.75	0.77
B	Items that will be reclassified to profit or loss						
	(i) Net movement in effective portion of cash flow hedge reserve	1.25	(0.82)	0.00	0.43	0.00	(0.12)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(0.32)	0.21	0.00	(0.11)	0.00	0.04
XI	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>126.34</b>	<b>126.96</b>	<b>86.32</b>	<b>253.30</b>	<b>171.64</b>	<b>359.77</b>
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)				1,036.08	589.10	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	21.61	22.30	15.42	43.91	30.42	63.51
	Diluted	21.61	22.30	15.42	43.91	30.42	63.38



Head Office : 85, Industrial Area 'A', Ludhiana. 141 003 (Pb.) India CIN - L24116PB1986PLC007030  
 Ph. : +91-161-2225531-35 Fax : +91-161-2226929, 2608784 email : contact@iolcp.com Website : iolcp.com  
 Regd. Office: Trident Complex, Raikot Road, Barnala - 148 101 (Pb.) India  
 Works : Village Fatehgarh Channa, Mansa Road (Trident Complex) District - Barnala, 148101 State - Punjab, INDIA.  
 Ph. : +91-1679 -285285-86, Fax : +91-1679-285292

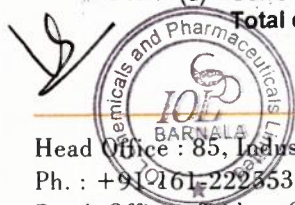


# IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Balance Sheet as at 30-September-2020

in ₹ crore

Particulars	As at 30-September-2020	As at 31-March-2020
<b>ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	491.77	465.41
(b) Capital work-in-progress	20.26	19.19
(c) Intangible assets	0.26	0.35
(d) Right of use assets	2.83	3.28
(e) Financial assets		
(i) Other financial assets	21.05	5.97
(f) Other non-current assets	7.88	10.42
<b>Total non-current assets</b>	<b>544.05</b>	<b>504.62</b>
<b>2 Current assets</b>		
(a) Inventories	257.59	187.52
(b) Financial assets		
(i) Investments	0.00	0.05
(ii) Trade receivables	314.48	278.13
(iii) Cash and cash equivalents	9.27	28.09
(iv) Bank balances other than (iii) above	272.16	126.56
(v) Other financial assets	4.70	6.80
(c) Other current assets	51.40	43.79
<b>Total current assets</b>	<b>909.60</b>	<b>670.94</b>
<b>TOTAL ASSETS</b>	<b>1,453.65</b>	<b>1,175.56</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	58.71	56.89
(b) Other equity	1,036.08	756.65
<b>Total equity</b>	<b>1,094.79</b>	<b>813.54</b>
<b>Liabilities</b>		
<b>1 Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	0.00	0.00
(ii) Lease liabilities	2.30	2.73
(b) Provisions	6.59	3.85
(c) Deferred tax liabilities (net)	50.32	72.64
(d) Other non-current liabilities	0.45	0.51
<b>Total non-current liabilities</b>	<b>59.66</b>	<b>79.73</b>
<b>2 Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	21.42	55.92
(ii) Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	22.11	6.86
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	188.59	179.23
(iii) Lease liabilities	0.83	0.77
(iv) Other financial liabilities	49.21	29.70
(b) Other current liabilities	4.31	4.05
(c) Provisions	4.55	4.40
(d) Current tax liabilities (net)	8.18	1.36
<b>Total current liabilities</b>	<b>299.20</b>	<b>282.29</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,453.65</b>	<b>1,175.56</b>



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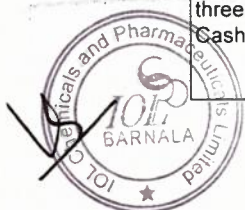


## IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Cash flow statement for the period ended 30-September-2020

in ₹ crore

Particulars	For the half year ended 30-September-2020	For the half year ended 30-September-2019
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>311.79</b>	<b>252.40</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	18.98	17.43
Net (Gain)/Loss on sale of non-current investment	(0.01)	0.00
Unrealised foreign exchange (Gain)/Loss on foreign currency rate fluctuation	(1.04)	(0.55)
Subsidy Income amortized	(0.03)	(0.03)
Interest income on financial assets carried at amortized cost net of rent amortized during the year	(0.04)	(0.03)
Unpaid Premium on Foreign exchange forward contracts	0.88	0.00
Liabilities no longer required written back	(0.36)	(0.03)
Net (Gain)/Loss on Property, plant and equipment sold	(0.04)	0.06
Interest expense	2.93	14.41
Interest income	(6.60)	(1.74)
	14.67	29.52
<b>Operating profit before working capital changes</b>	<b>326.46</b>	<b>281.92</b>
Changes in working capital:		
Increase/(Decrease) in trade payables and other liabilities	47.36	53.98
Decrease/(Increase) in trade and other receivables	(39.88)	0.13
Decrease/(Increase) in inventories	(70.06)	3.24
	(62.58)	57.35
<b>Cash generated from operations</b>	<b>263.88</b>	<b>339.27</b>
Income tax paid (net)	(72.37)	(54.57)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>191.51</b>	<b>284.70</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment including intangible assets and Capital work in progress	(46.62)	(39.18)
Proceeds from sale of property, plant and equipment	0.67	0.44
Proceeds from sale of investments	0.06	0.00
Interest received	6.35	1.72
<b>Bank balances not considered as cash and cash equivalents:</b>		
Balances with bank in deposit accounts with original maturity more than three months	(125.05)	0.00
Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments	(35.66)	(6.59)
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(200.25)</b>	<b>(43.61)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of share capital and warrants	27.95	0.00
Repayment of non current borrowings	(0.07)	(128.41)
Repayment of current borrowings	(34.50)	(47.92)
Interest paid	(2.94)	(15.00)
Lease rent payments	(0.52)	(0.50)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(10.08)</b>	<b>(191.83)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(18.82)</b>	<b>49.26</b>
Cash and cash equivalents at the beginning of the year	28.09	13.41
Cash and cash equivalents at the end of the period *	<b>9.27</b>	<b>62.67</b>
* Comprises		
Balances with banks in current account	7.16	12.11
Balances with bank in deposit accounts with original maturity of three months or less	0.00	50.00
Cash on hand	2.11	0.56
	<b>9.27</b>	<b>62.67</b>



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# IOL CHEMICALS AND PHARMACEUTICALS LIMITED

## SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

in ₹ Crore

Sr.No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	<b>Segment Revenue</b>						
	(Net sale/income)						
	- Chemicals	205.47	155.78	163.81	361.25	361.17	711.96
	- Drugs	335.93	313.05	293.80	648.98	602.47	1,221.64
	- Unallocated	4.14	3.97	2.52	8.11	3.96	9.36
	<b>Total</b>	<b>545.54</b>	<b>472.80</b>	<b>460.13</b>	<b>1,018.34</b>	<b>967.60</b>	<b>1,942.96</b>
	Less : Inter segment revenue	7.58	6.89	7.78	14.47	19.13	32.47
	<b>Net sales/income from operations</b>	<b>537.96</b>	<b>465.91</b>	<b>452.35</b>	<b>1,003.87</b>	<b>948.47</b>	<b>1,910.49</b>
2	<b>Segment Results</b>						
	Profit before tax and interest						
	(from each segment)						
	- Chemicals	22.86	8.36	5.54	31.22	13.07	28.31
	- Drugs	140.10	137.93	120.42	278.03	251.68	521.57
	<b>Total</b>	<b>162.96</b>	<b>146.29</b>	<b>125.96</b>	<b>309.25</b>	<b>264.75</b>	<b>549.88</b>
	Less: Interest	1.11	1.82	6.09	2.93	14.41	20.93
	Add: Other un-allocable income net off un-allocable expenditure	3.20	2.27	1.51	5.47	2.06	4.29
	<b>Total Profit before tax &amp; Extraordinary items</b>	<b>165.05</b>	<b>146.74</b>	<b>121.38</b>	<b>311.79</b>	<b>252.40</b>	<b>533.24</b>
3	<b>Segment Assets</b>						
	- Chemicals	400.17	409.81	323.94	400.17	323.94	340.91
	- Drugs	663.94	599.92	548.52	663.94	548.52	595.08
	- Unallocated	389.54	343.87	154.10	389.54	154.10	239.57
	<b>Total Assets</b>	<b>1,453.65</b>	<b>1,353.60</b>	<b>1,026.56</b>	<b>1,453.65</b>	<b>1,026.56</b>	<b>1,175.56</b>
4	<b>Segment Liabilities</b>						
	- Chemicals	137.95	197.70	119.25	137.95	119.25	127.65
	- Drugs	122.88	89.13	87.02	122.88	87.02	86.64
	- Unallocated	98.03	98.32	174.31	98.03	174.31	147.73
	<b>Total Liabilities</b>	<b>358.86</b>	<b>385.15</b>	<b>380.58</b>	<b>358.86</b>	<b>380.58</b>	<b>362.02</b>

### NOTES:

- The above results have been reviewed by the Audit & Risk Management Committee and thereafter approved by the Board of Directors in their respective meetings held on 6 November 2020.
- 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 Board of Directors declared Interim Dividend of ₹ 4 per Equity Share for the Financial Year 2020-21 and fixed 18th November 2020 as Record Date to decide the eligibility of Shareholder for paying the interim dividend.
- The Company has considered the possible effects that may result from the pandemic relating to COVID-19 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 Company has elected 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. Pursuant to the exercise of this option, the company has reversed deferred tax liabilities amounting to ₹ 20.90 Crore due to reduction in corporate tax rate 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 previous financial period figures have been regrouped/rearranged/restated wherever considered necessary.



Place: Ludhiana  
Date : 6 November 2020

By order of the Board  
For IOL Chemicals and Pharmaceuticals Limited,

*Vijay Garg*  
Vijay Garg  
Joint Managing Director  
DIN: 06510248

Head Office : 85, Industrial Area 'A', Ludhiana. 141 003 (Pb.) India CIN - L24116PB1986PLC007030  
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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 half year ended September 30, 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:

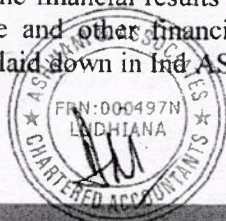
- (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulation; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under 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 half year ended September 30, 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 half year ended September 30, 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.





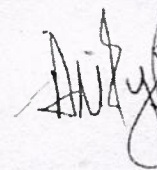
- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going 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  
  
 Aditya Kumar  
 Partner

Membership No.: 506955  
 UDIN: 20506955AAAA0W8929

Place: Ludhiana  
 Dated: November 06, 2020