



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Annexure I

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

in ₹ Crore

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2021 (Audited)	31.12.2020 (Audited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
	Income:					
I	Revenue from operations	460.38	513.01	441.46	1,966.98	1,894.47
II	Other Income	6.21	7.81	5.35	24.30	16.02
III	Total income (I+II)	466.59	520.82	446.81	1,991.28	1,910.49
	Expenses:					
IV	Cost of materials consumed	267.57	289.69	247.12	1,119.95	1,044.05
	Purchase of stock-in-trade	-	-	-	-	-
	Changes in inventories of finished goods and work-in-progress	10.12	(3.33)	(4.66)	(17.11)	20.96
	Employee benefits expense	30.42	28.23	25.07	115.55	97.20
	Finance cost	1.44	1.46	2.76	5.83	20.93
	Depreciation and amortization expense	9.97	9.97	9.36	38.92	35.73
	Other expenses	41.10	41.17	37.08	156.75	158.38
	Total Expenses (IV)	360.62	367.19	316.73	1,419.89	1,377.25
V	Profit before exceptional items and tax (III-IV)	105.97	153.63	130.08	571.39	533.24
VI	Exceptional items	-	-	-	-	-
VII	Profit before tax (V-VI)	105.97	153.63	130.08	571.39	533.24
VIII	Tax Expense:					
	Current tax	27.28	38.71	40.41	145.18	170.90
	Current tax adjustment related to earlier year	0.37	-	-	0.37	-
	Deferred tax	3.07	0.11	(0.59)	(18.72)	1.05
	Total tax expense	30.72	38.82	39.82	126.83	171.95
IX	Profit for the period (VII-VIII)	75.25	114.81	90.26	444.56	361.29
X	Other Comprehensive Income					
A	Items that will not be reclassified to profit or loss					
	(i) Remeasurement of Defined benefit obligation	(0.14)	(0.01)	(0.23)	(2.18)	(2.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.61	(0.57)	0.08	0.55	0.77
B	Items that will be reclassified to profit or loss					
	(i) Net movement in effective portion of cash flow hedge reserve	(0.22)	(0.87)	(0.12)	(0.66)	(0.12)
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.05	0.21	0.04	0.15	0.04
XI	Total Comprehensive Income for the period (IX+X)	75.55	113.57	90.03	442.42	359.77
XII	Paid-up equity share capital (Face value ₹10/- per share)	58.71	58.71	56.89	58.71	56.89
XIII	Other equity (Reserves excluding revaluation reserve)				1,201.72	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 and 31.03.2021)					
	Basic ₹	12.76	19.54	15.87	76.21	63.51
	Diluted ₹	12.76	19.54	15.74	76.21	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			Year ended	
		31.03.2021 (Audited)	31.12.2020 (Audited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1	Segment Revenue					
	(Net sale/income)					
	- Chemical	248.14	219.85	156.92	829.24	711.96
	- Pharmaceutical	219.58	303.67	292.69	1,172.23	1,221.64
	- Unallocated	6.60	5.31	2.99	20.02	9.36
	Total	474.32	528.83	452.60	2,021.49	1,942.96
	Less : Inter segment revenue	7.73	8.01	5.79	30.21	32.47
	Net sales/income from operations	466.59	520.82	446.81	1,991.28	1,910.49
2	Segment Results					
	Profit before tax and interest (from each segment)					
	- Chemical	36.61	32.35	5.61	100.18	28.31
	- Pharmaceutical	65.29	118.46	126.02	461.78	521.57
	Total	101.90	150.81	131.63	561.96	549.88
	Less: Finance cost	1.44	1.46	2.76	5.83	20.93
	Add: Other un-allocable income net off un-allocable expenditure	5.51	4.28	1.21	15.26	4.29
	Total Profit before tax & Extraordinary items	105.97	153.63	130.08	571.39	533.24
3	Segment Assets					
	- Chemical	436.54	399.42	335.20	436.54	335.20
	- Pharmaceutical	672.68	662.71	595.08	672.68	595.08
	- Unallocated	500.87	441.72	239.57	500.87	239.51
	Total Assets	1,610.09	1,503.85	1,169.85	1,610.09	1,169.79
4	Segment Liabilities					
	- Chemical	196.08	137.86	127.65	196.08	127.65
	- Pharmaceutical	77.20	87.96	80.93	77.20	80.93
	- Unallocated	76.38	93.15	147.73	76.38	147.67
	Total Liabilities	349.66	318.97	356.31	349.66	356.25

NOTES:

- The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors in their respective meetings held on June 4, 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 read with relevant rules issued thereunder 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 statutory auditors have expressed an unmodified audit opinion on these results. The Statement of Cash flows is attached with these financial results
- Subject to the approval of the shareholders in the ensuing Annual General Meeting, the Board of Directors has proposed a final dividend of ₹ 2 per equity share. Further, an interim dividend of ₹ 4 per equity shares was also declared by the Board on 6th November 2020. Together with the said interim dividend, the total dividend for the financial year 2020-21 amounts to ₹ 6 per share.
- The Company enhanced manufacturing capacity of Ethyl Acetate from 87,000 MTPA to 100,000 MTPA, by de-bottlenecking & re-engineering with capex of ₹ 0.25 Cr. The Company has also setup 'Unit-VIII' for manufacturing Ibuprofen derivatives and other APIs with a capex of ₹ 21.26 Crore. All capex has been met through internal accruals only. The installation of new manufacturing facilities 'Unit - IX' for Gabapentin & other Pharma (API's) products; and 'Unit - X' for Multiple Pharma (API's) products are as per schedule.

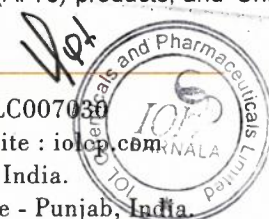
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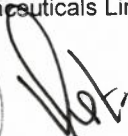


IOL CHEMICALS AND PHARMACEUTICALS LIMITED

- 5 The Company has exercised 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.
- 6 The Code on Social Security, 2020 ('SS Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The SS Code has been published in the Gazette of India. However, the date on which the SS Code will come into effect has not been notified. The Company will assess the impact of the SS Code when it comes into effect and will record any related impact in the period when the SS Code becomes effective.
- 7 The Company has considered the possible effects that may result from pandemic related to COVID-19 on carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. In developing the assumptions relating to possible future uncertainties in 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.
- 8 The previous financial period figures have been regrouped/rearranged/restated wherever considered necessary.

By order of the Board
For IOL Chemicals and Pharmaceuticals Limited




Varinder Gupta
Managing Director
DIN-00044068

Place: Ludhiana
Date : June 4, 2021



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Balance Sheet as at 31-March-2021

Particulars	in ₹ crore	
	As at 31-Mar-2021	As at 31-Mar-2020
ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	509.75	465.41
(b) Capital work-in-progress	48.27	19.19
(c) Intangible assets	0.21	0.35
(d) Right of use assets	2.40	3.28
(e) Financial assets		
(i) Other financial assets	22.13	5.97
(f) Other non-current assets	5.04	4.79
Total non-current assets	587.80	498.99
2 Current assets		
(a) Inventories	295.15	187.52
(b) Financial assets		
(i) Investments	1.22	0.05
(ii) Trade receivables	300.31	272.42
(iii) Cash and cash equivalents	32.34	28.09
(iv) Bank balances other than (iii) above	332.40	126.56
(v) Other financial assets	33.45	21.05
(c) Other current assets	27.42	35.11
Total current assets	1,022.29	670.80
TOTAL ASSETS	1,610.09	1,169.79
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	58.71	56.89
(b) Other equity	1,201.72	756.65
Total equity	1,260.43	813.54
Liabilities		
1 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Lease liabilities	1.83	2.73
(b) Provisions	3.68	3.85
(c) Deferred tax liabilities (net)	53.22	72.64
(d) Other non-current liabilities	0.38	0.51
Total non-current liabilities	59.11	79.73
2 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	55.92
(ii) Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	11.73	6.86
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	227.10	173.52
(iii) Lease liabilities	0.90	0.77
(iv) Other financial liabilities	32.86	29.70
(b) Other current liabilities	7.24	3.99
(c) Provisions	6.06	4.40
(d) Current income tax liabilities (net)	4.66	1.36
Total current liabilities	290.55	276.52
TOTAL EQUITY AND LIABILITIES	1,610.09	1,169.79

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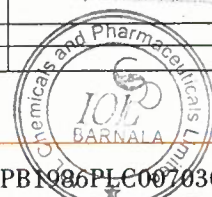


IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Cash flow statement for the year ended 31-March-2021

in ₹ crore

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Cash flow from operating activities		
Profit before tax	571.39	533.24
Adjustments for:		
Depreciation and amortisation expense	38.92	35.73
Net (Gain)/Loss on sale of current investment	(0.01)	-
Unrealised foreign exchange (Gain)/Loss on foreign currency rate fluctuation	(1.74)	0.87
Net (Gain)/Loss on fair valuation of investments measured at fair value through profit or loss	-	0.01
Subsidy Income amortized	(0.07)	(0.07)
Interest income on financial assets carried at amortized cost net of rent amortized during the year	(0.07)	(0.06)
Unpaid Premium on Foreign exchange forward contracts	0.53	0.16
Liabilities no longer required written back	(0.44)	(0.45)
Net (Gain)/Loss on Property, plant and equipment sold	(0.05)	-
Loss on Property, plant and equipment discarded	0.15	-
Interest expense	5.83	20.93
Interest income	(15.90)	(5.19)
	27.15	51.93
Operating profit before working capital changes	598.54	585.17
Changes in working capital:		
Increase/(Decrease) in trade payables and other liabilities	60.61	51.80
Decrease/(Increase) in trade and other receivables	(29.50)	(50.36)
Decrease/(Increase) in inventories	(107.62)	1.34
	(76.51)	2.78
Cash generated from operations	522.03	587.95
Income tax paid (net)	(142.25)	(117.15)
Net cash flow from/(used in) operating activities (A)	379.78	470.80
Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets and Capital work in progress	(108.21)	(80.28)
Proceeds from sale of property, plant and equipment	0.78	0.60
Proceeds from sale of investments	0.06	-
Purchase of investment	(1.22)	-
Interest received	12.95	3.97
Bank balances not considered as cash and cash equivalents:		
Increase in deposit with banks, having original maturity more than three months	(220.07)	(102.67)
Increase in deposit with banks, in earmarked accounts to the extent held as margin money against borrowings and other commitments	(1.54)	(5.85)
Net cash flow from/(used in) investing activities (B)	(317.25)	(184.23)
Cash flow from financing activities		
Proceeds from issuance of share capital and warrants	27.95	-
Repayment of non current borrowings	(0.07)	(216.81)
Repayment of current borrowings	(55.92)	(11.79)
Interest paid	(5.70)	(21.72)
Lease rent payments	(1.06)	(1.00)
Dividend paid on Equity shares (including Dividend distribution tax in previous year)	(23.48)	(20.57)
Net cash flow from/(used in) financing activities (C)	(58.28)	(271.89)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4.25	14.68
Cash and cash equivalents at the beginning of the year	28.09	13.41
Cash and cash equivalents at the end of the year *	32.34	28.09
* Comprises		
Balances with banks in current account	15.88	25.19
Balances with bank in deposit accounts with original maturity of three months or less	15.03	-
Cash on hand	1.43	2.90
	32.34	28.09



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Independent Auditors' Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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 year ended March 31, 2021 ("the Financial Results"), being submitted by the Company pursuant to the requirement of Regulation 33 and 52 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 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") 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 year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the 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 of evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management Responsibilities for the Financial Results

These Financial Results, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited financial statements for the three months and year ended March 31, 2021. The Company's Board of



Directors are 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 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 and 52 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 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 are 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.

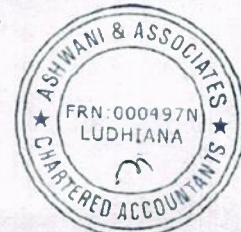
The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

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 are 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 Company's ability 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 present the underlying transactions and events in a manner that achieves fair presentation.

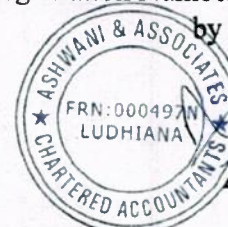
Materiality is the magnitude of misstatements in the financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning 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.

Place: Ludhiana
Dated: June 4th, 2021

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



Arvind Jain
Partner

Membership No.: 097549
UDIN: 21097549AAAABO1191