

Walker Chandiook & Co LLP

11th floor, Tower II,
One International Center,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
India

T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of ZIM Laboratories Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of **ZIM Laboratories Limited** ('the Holding Company') and its subsidiaries referred below (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter ended **31 December 2020** and the consolidated year to date financial results for the period 01 April 2020 to 31 December 2020, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.

List of subsidiaries included in the Statement

1. ZIM Laboratories FZE
 2. ZIM Health Technologies Limited
 3. SIA "ZIM Laboratories Limited"
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
 3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Walker Chandiook & Co LLP

ZIM Laboratories Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 5 to the accompanying Statement regarding delay in receipt of foreign currency receivables of the Holding Company aggregating Rs. 325.29 lakhs as at 31 December 2020, beyond the timelines stipulated vide FED Master Direction No. 16/2015-16, under the Foreign Exchange Management Act, 1999 read with RBI press release dated 1 April 2020. The management of the Holding Company is in the process of recovering the outstanding dues and is of the view that the fines / penalties, if any, that may be levied pursuant to the delay, are currently unascertainable but are not expected to be material and accordingly, the accompanying Statement does not include any consequential adjustments with respect to such delay / default. Our conclusion is not modified in respect of this matter.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013



Adi P. Sethna

Partner

Membership No:108840

UDIN:21108840AAAAAW7561

Place: Mumbai

Date: 11 February 2021



ZIM Laboratories Limited

Registered Office : Sadoday Gyan(Ground Floor),Opp.NADT,Nelson Square Nagpur - 440013, Maharashtra, India
CIN:L99999MH1984PLC032172, Website: www.zimlab.in

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31 DECEMBER 2020

(Rs. in lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations (Refer Note 7)	7,490.64	8,803.30	7,334.54	23,341.53	20,854.35	27,773.92
	b) Other income	69.87	18.79	61.47	151.10	208.86	452.08
	Total income	7,560.51	8,822.09	7,396.01	23,492.63	21,063.21	28,226.00
2	Expenses						
	a) Cost of materials consumed	3,251.46	4,101.38	3,818.56	11,158.49	10,824.78	13,366.79
	b) Purchases of stock-in-trade	273.90	208.57	151.34	657.89	867.82	1,587.17
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress (Refer Note 7)	68.69	672.02	(336.67)	343.82	(873.28)	(639.97)
	d) Employee benefits	977.01	827.12	849.05	2,623.03	2,580.45	3,534.58
	e) Finance costs	235.54	266.79	322.77	796.64	964.38	1,265.45
	f) Depreciation and amortisation	391.33	383.59	374.35	1,160.40	1,055.31	1,441.16
	g) Other expenses	2,164.84	1,724.85	2,051.72	5,477.80	5,884.25	7,663.96
	Total expenses	7,362.77	8,184.32	7,231.12	22,218.07	21,303.71	28,219.14
3	Profit/ (Loss) before exceptional item and tax (1-2)	197.74	637.77	164.89	1,274.56	(240.50)	6.86
4	Exceptional Items (Refer Note 8)	-	(518.08)	-	(518.08)	-	-
5	Profit/ (Loss) before tax (3+4)	197.74	119.69	164.89	756.48	(240.50)	6.86
6	Tax expense/ (credit)						
	Current Tax	67.80	84.57	24.28	215.71	24.28	(12.33)
	Deferred Tax (refer Note 6)	0.72	(84.36)	(11.58)	(36.01)	(364.74)	(310.47)
	Total tax expense / (credit)	68.52	0.21	12.70	179.70	(340.46)	(322.80)
7	Profit/(Loss) after tax (5-6)	129.22	119.48	152.19	576.78	99.96	329.66
8	Other comprehensive income - profit/(loss)						
	a) Items that will not be reclassified to profit or loss	(9.51)	(9.51)	(16.16)	(28.53)	(48.48)	(38.04)
	b) Tax (expense)/credit on the items that will not be reclassified to profit or loss	2.77	2.77	4.71	8.31	14.13	11.08
	c) Items that may be reclassified to profit or loss	(18.99)	(30.25)	1.72	(52.29)	9.12	61.08
	d) Tax (expense)/credit on the items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other comprehensive income (net of tax) - profit/(loss)	(25.73)	(36.99)	(9.73)	(72.51)	(25.23)	34.12
9	Total comprehensive income (7+8)	103.49	82.49	142.46	504.27	74.73	363.78
10	Paid-up equity share capital (face value of Rs. 10/- each)	1,624.19	1,624.19	1,618.07	1,624.19	1,618.07	1,618.07
11	Other equity (revaluation reserve : Rs. Nil)						13,764.03
12	Earnings per share (face value of Rs. 10/- each) (not annualised) (Rs.)						
	Basic	0.80	0.73	0.94	3.55	0.62	2.03
	Diluted	0.80	0.73	0.94	3.55	0.62	2.03



Notes :

- 1) The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 February 2021. There are no qualifications in the limited review report issued for the quarter and nine months ended 31 December 2020.
- 2) These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under Section 133 of the Companies Act, 2013.
- 3) The Company and its subsidiaries are principally engaged in a single business segment which is "pharmaceuticals".
- 4) During the quarter ended 30 June 2019, the Company has acquired entire shareholding in 'Zim Health Technologies Limited' and during the quarter ended 30 September 2019, the Company has incorporated wholly owned subsidiary 'SIA ZIM Laboratories Limited' in Latvia. Accordingly, the current period consolidated financial results include financial results of the Company, Zim Laboratories FZE, Zim Health Technologies Limited and SIA ZIM Laboratories Limited.
- 5) Trade receivables, of the Holding Company, outstanding as at 31 December 2020, include balances aggregating Rs. 325.29 lakhs from customers situated outside India. These balances are outstanding for a period, beyond the timelines stipulated vide FED Master Direction No. 16/2015-16, under the Foreign Exchange Management Act, 1999 read with RBI press release dated 1 April 2020. The Company is in the process of recovering the outstanding dues. The amount of fine/penalty, if any, that may be levied, is currently unascertainable but is not expected to be material and accordingly, the accompanying consolidated financial results do not include any consequential adjustments that may arise due to such delay/default.
- 6) Deferred tax credit for the nine months ended 31 December 2019 and year ended 31 March 2020, includes credit due to impact of change in applicable tax rates for the Holding Company from 34.94% to 29.12% on net deferred tax liabilities (excluding MAT Credit Entitlement Assets) as at 1 April 2019.
- 7) During the month of March 2020, the Governments of various countries had imposed lockdown in an effort to control the spread of pandemic COVID-19. Accordingly, logistical challenges and export ban on the medicines resulted in deferment of underlying revenue from March 2020 to the months of April 2020 and May 2020 and corresponding increase in finished goods inventory as at 31 March 2020.
- 8) Exceptional item represents provisions recognised by the Holding Company (the Company) towards doubtful trade receivables relating to sales made in earlier years. The Company had entered into an arrangement with one of its shareholders, whereby the Company is entitled to recover this loss by liquidating ten lakh shares of such shareholder (which are held in escrow) against short recovery from the parties specified in the arrangement. The amounts so recovered from liquidation of the shares will be recognised as when the Company is able to dispose off the shares for amounts which will be determinable on such liquidation.

Place: Nagpur
Date: 11 February 2021




Anwar S. Daud
Managing Director

Walker Chandiook & Co LLP

11th floor, Tower II,
One International Center,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
India

T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of ZIM Laboratories Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **ZIM Laboratories Limited** ('the Company') for the quarter ended **31 December 2020** and the year to date financial results for the period 01 April 2020 to 31 December 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



Walker Chandiook & Co LLP

ZIM Laboratories Limited

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

5. We draw attention to Note 4 to the accompanying Statement regarding delay in receipt of foreign currency receivables aggregating Rs. 325.29 lakhs as at 31 December 2020, beyond the timelines stipulated vide FED Master Direction No. 16/2015-16, under the Foreign Exchange Management Act, 1999 read with RBI press release dated 01 April 2020. The management of the Company is in the process of recovering the outstanding dues and is of the view that the fines / penalties, if any, that may be levied pursuant to the delay, are currently unascertainable but are not expected to be material and accordingly, the accompanying Statement does not include any consequential adjustments with respect to such delay / default. Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No:001076N/N500013



Adi P. Sethna

Partner

Membership No:108840

UDIN:21108840AAAAAV7084

Place: Mumbai

Date: 11 February 2021



ZIM Laboratories Limited

Registered Office : Sadoday Gyan(Ground Floor),Opp.NADT,Nelson Square Nagpur - 440013, Maharashtra, India
CIN:L99999MH1984PLC032172, Website: www.zimlab.in

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31 DECEMBER 2020

(Rs. in lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations (Refer Note 6)	7,423.37	8,644.90	7,219.49	23,045.47	20,638.77	27,431.97
	b) Other income	78.78	16.82	64.52	160.01	220.30	465.65
	Total income	7,502.15	8,661.72	7,284.01	23,205.48	20,859.07	27,897.62
2	Expenses						
	a) Cost of materials consumed	3,251.46	4,101.38	3,818.56	11,158.49	10,824.78	13,366.79
	b) Purchases of stock-in-trade	273.90	208.57	151.34	657.89	867.82	1,587.17
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress (Refer Note 6)	68.69	672.02	(336.67)	343.82	(873.28)	(639.97)
	d) Employee benefits	956.22	806.32	828.80	2,560.65	2,529.91	3,458.42
	e) Finance costs	234.29	266.79	322.77	795.39	964.38	1,265.45
	f) Depreciation and amortisation	362.26	354.26	346.79	1,071.99	971.38	1,327.15
	g) Other expenses	2,134.31	1,739.83	2,070.92	5,496.09	5,891.68	7,681.35
	Total expenses	7,281.13	8,149.17	7,202.51	22,084.32	21,176.67	28,046.36
3	Profit/ (Loss) before exceptional item and tax (1-2)	221.02	512.55	81.50	1,121.16	(317.60)	(148.74)
4	Exceptional Items (Refer Note 7)	-	(518.08)	-	(518.08)	-	-
5	Profit/ (Loss) before tax (3+4)	221.02	(5.53)	81.50	603.08	(317.60)	(148.74)
6	Tax expense/ (credit)						
	Current Tax	67.80	84.57	24.28	215.71	24.28	(12.33)
	Deferred Tax (Refer Note 5)	0.72	(84.36)	(11.59)	(36.01)	(364.74)	(310.47)
	Total tax expense / (credit)	68.52	0.21	12.69	179.70	(340.46)	(322.80)
7	Profit/(Loss) after tax (5-6)	152.50	(5.74)	68.81	423.38	22.86	174.06
8	Other comprehensive income - profit/(loss)						
	a) Items that will not be reclassified to profit or loss	(9.51)	(9.51)	(16.16)	(28.53)	(48.48)	(38.04)
	b) Tax (expense)/credit on the items that will not be reclassified to profit or loss	2.77	2.77	4.71	8.31	14.13	11.08
	Other comprehensive income (net of tax) - profit/(loss)	(6.74)	(6.74)	(11.45)	(20.22)	(34.35)	(26.96)
9	Total comprehensive income/(loss) (7+8)	145.76	(12.48)	57.36	403.16	(11.49)	147.10
10	Paid-up equity share capital (face value of Rs. 10/- each)	1,624.19	1,624.19	1,618.07	1,624.19	1,618.07	1,618.07
11	Other equity (revaluation reserve : Rs. Nil)						13,557.45
12	Earnings per share (face value of Rs. 10/- each) (not annualised) (Rs.)						
	Basic	0.94	(0.03)	0.42	2.61	0.14	1.07
	Diluted	0.94	(0.03)	0.42	2.61	0.14	1.07



Notes:

1) The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 February 2021. There are no qualifications in the limited review report issued for the quarter and nine months ended 31 December 2020.

2) These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under Section 133 of the Companies Act, 2013.

3) The Company is principally engaged in a single business segment which is "pharmaceuticals".

4) Trade receivables outstanding as at 31 December 2020, include balances aggregating Rs. 325.29 lakhs from customers situated outside India. These balances are outstanding for a period, beyond the timelines stipulated vide FED Master Direction No. 16/2015-16, under the Foreign Exchange Management Act, 1999 read with RBI press release dated 1 April 2020. The Company is in the process of recovering the outstanding dues. The amount of fine/penalty, if any, that may be levied, is currently unascertainable but not expected to be material and accordingly, the accompanying standalone financial results do not include any consequential adjustments that may arise due to such delay/default.

5) Deferred tax credit for the nine months ended 31 December 2019 and year ended 31 March 2020, includes credit due to impact of change in applicable tax rates from 34.94% to 29.12% on net deferred tax liabilities (excluding MAT Credit Entitlement Assets) as at 1 April 2019.

6) During the month of March 2020, the Governments of various countries had imposed lockdown in an effort to control the spread of pandemic COVID-19. Accordingly, logistical challenges and export ban on the medicines resulted in deferment of underlying revenue from March 2020 to the months of April 2020 and May 2020 and corresponding increase in finished goods inventory as at 31 March 2020.

7) Exceptional item represents provisions recognised towards doubtful trade receivables relating to sales made in earlier years. The Company had entered into an arrangement with one of its shareholders, whereby the Company is entitled to recover this loss by liquidating ten lakh shares of such shareholder (which are held in escrow) against short recovery from the parties specified in the arrangement. The amounts so recovered from liquidation of the shares will be recognised as when the Company is able to dispose off the shares for amounts which will be determinable on such liquidation.

Place: Nagpur
Date: 11 February 2021


Anwar S. Daud
Managing Director

