



Zeal & Innovation in Medicine

Ref No,: ZLL/CS/BM/BSE

Date : 29.05.2021

BSE Limited,
Market Operations Dept.
P. J. Towers, Dalal Street,
Mumbai- 400 001

Company Code- **541400**

Dear Sir,

Sub: **Outcome of Board Meeting.**

Ref: **Our Notice dt. 21.05.2021**

This is to inform you that the Board of Directors in their meeting held today has inter-alia considered and approved:

- 1) the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31st March, 2021.
- 2) the Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended 31st March, 2021 (prepared pursuant to SEBI (LODR) Regulations, 2015).

Walker Chandio & Co LLP, Chartered Accountants, the Statutory Auditors of the Company have issued auditor's report with an unmodified opinion on the financial results for the year ended 31.03.2021 which is enclosed herewith.

The Board Meeting commenced at 11:45 a.m. and concluded at 01:30 p.m.

Thanking you,

Yours faithfully,
For ZIM LABORATORIES LIMITED

(Piyush Nikhade)
Company Secretary and Compliance Officer



Encl: As above

ZIM LABORATORIES LIMITED

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Walker ChandioK & Co LLP

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Independent Auditor's Report on Consolidated Annual 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

Opinion

1. We have audited the accompanying consolidated annual 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 year ended **31 March 2021**, 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) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 12 below, the Statement:
 - (i) includes the annual financial results of the Subsidiary companies (wholly owned) –
 - (a) ZIM Laboratories FZE
 - (b) ZIM Health Technologies Limited and (c) SIA "ZIM Laboratories Limited";
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') 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 consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements 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 Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the 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 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, 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 statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the respective entities, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, 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.



ZIM Laboratories Limited

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

- Obtain an understanding of internal control 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 Holding Company has adequate internal financial controls with reference to consolidated 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 management.
 - Conclude on the appropriateness of management'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 Group, 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 Statement 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 Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company, 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.
10. 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.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

12. We did not audit the annual financial statements of two subsidiaries included in the Statement, whose financial statements (before eliminating inter company balance/transactions) reflects total assets of Rs. 1,388.11 lakhs as at 31 March 2021, total revenues of Rs. 2,404.27 lakhs, total net profit after tax of Rs. 203.51 lakhs, total comprehensive income of Rs. Nil , and cash flows (net) of Rs. (61.40) lakhs for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated above.



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the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(as amended)

Further, of these subsidiaries, one subsidiary, is located outside India, whose annual financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors in accordance with the International Standards on Auditing. The Holding Company's management has converted the financial statements of such subsidiary from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of this subsidiary, is based on the audit report of other auditor and the conversion adjustments prepared by the management of the Holding Company, and audited by us as stated in paragraph 11 above. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

13. The Statement includes the annual financial statements of one subsidiary, which have not been audited, whose annual financial statements (before eliminating inter company balance/transacctions) reflect total assets of Rs. 22.39 lakhs as at 31 March 2021, total revenues of Rs.Nil, total net (loss) after tax of Rs.8.84 lakhs, total comprehensive income of Rs. Nil for the year ended 31 March 2021, and cash flow (net) of Rs. 34.27 Lakhs for the year then ended, as considered in the Statement. These financial statements have been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion, and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of this matter with respect to our reliance on the financial statements certified by the Board of Directors.
14. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subjected to a limited review by us.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013


Adi P. Sethna
Partner
Membership No:108840



UDIN:21108840AAAACM5221

Place: Mumbai
Date: 29 May 2021



ZIM Laboratories Limited

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

A. STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31 MARCH 2021

(Rs. in lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Unaudited) Refer Note 3	(Unaudited)	(Unaudited) Refer Note 3	(Audited)	(Audited)
1	Income					
	a) Revenue from operations (Refer Note 8)	7,384.80	7,490.64	6,919.57	30,726.33	27,773.92
	b) Other income	82.59	69.87	243.22	233.69	452.08
	Total income	7,467.39	7,560.51	7,162.79	30,960.02	28,226.00
2	Expenses					
	a) Cost of materials consumed	4,123.72	3,251.46	2,542.01	15,282.21	13,366.79
	b) Purchases of stock-in-trade	33.70	273.90	719.35	691.59	1,587.17
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress (Refer Note 8)	(454.35)	68.69	233.31	(110.53)	(639.97)
	d) Employee benefits	953.26	977.01	954.13	3,576.29	3,534.58
	e) Finance costs	293.18	235.54	301.07	1,089.82	1,265.45
	f) Depreciation and amortisation	418.50	391.33	385.85	1,578.90	1,441.16
	g) Other expenses	1,832.74	2,164.84	1,779.71	7,310.54	7,663.96
	Total expenses	7,200.75	7,362.77	6,915.43	29,418.82	28,219.14
3	Profit before exceptional item and tax (1-2)	266.64	197.74	247.36	1,541.20	6.86
4	Exceptional Items (Refer Note 7)	-	-	-	(518.08)	-
5	Profit before tax (3+4)	266.64	197.74	247.36	1,023.12	6.86
6	Tax expense/ (credit)					
	Current Tax (Refer Note 5)	(212.34)	67.80	(36.61)	3.37	(12.33)
	Deferred Tax (Refer Note 6)	324.01	0.72	54.27	288.00	(310.47)
	Total tax expense / (credit)	111.67	68.52	17.66	291.37	(322.80)
7	Profit after tax (5-6)	154.97	129.22	229.70	731.75	329.66
8	Other comprehensive income - profit/(loss)					
	a) Items that will not be reclassified to profit or loss	(25.79)	(9.51)	10.44	(54.32)	(38.04)
	b) Tax (expense)/credit on the items that will not be reclassified to profit or loss	7.51	2.77	(3.05)	15.82	11.08
	c) Items that may be reclassified to profit or loss	45.82	(18.99)	51.96	(6.47)	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)	27.54	(25.73)	59.35	(44.97)	34.12
9	Total comprehensive income (7+8)	182.51	103.49	289.05	686.78	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
11	Other equity (revaluation reserve : Rs. Nil)				14,450.81	13,764.03
12	Earnings per share (face value of Rs. 10/- each) (not annualised) (Rs.)					
	Basic	0.95	0.80	1.41	4.50	2.03
	Diluted	0.95	0.80	1.41	4.50	2.03



B. Consolidated Balance Sheet

	As at 31 March 2021 Rs. lakhs (Audited)	As at 31 March 2020 Rs. lakhs (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	10,067.69	10,742.85
Capital work-in-progress	456.13	474.24
Goodwill on consolidation	16.94	16.94
Other intangible assets	567.41	832.34
Intangible assets under development	612.19	488.15
Financial Assets		
Investments	5.15	5.15
Other financial assets	270.10	239.90
Deferred tax assets (net)	260.64	532.81
Income tax (current-tax) assets (net)	479.80	371.90
Other non-current assets	566.15	622.91
	13,302.20	14,327.19
Current assets		
Inventories (Refer Note 8)	5,434.72	5,638.91
Financial Assets		
Trade receivables	7,225.13	6,792.70
Cash and cash equivalents	139.25	146.10
Bank balances other than cash and cash equivalents	695.91	248.96
Loans	8.20	16.12
Other financial assets	980.61	645.48
Other current assets	4,692.20	4,714.78
	19,176.02	18,203.05
TOTAL ASSETS	32,478.22	32,530.24
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,624.19	1,618.07
Other equity	14,450.81	13,764.03
	16,075.00	15,382.10
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	2,182.92	2,742.01
Other financial liabilities	16.75	62.63
	2,199.67	2,804.64
Current liabilities		
Financial Liabilities		
Borrowings	4,460.00	4,969.00
Trade payables		
-total outstanding due of micro enterprises and small enterprises		
-total outstanding due of creditors other than micro enterprises and small enterprises	6,487.10	6,600.11
Other financial liabilities	2,084.26	1,917.40
Other current liabilities	1,031.81	751.06
Provisions	140.38	105.93
	14,203.55	14,343.50
TOTAL LIABILITIES	16,403.22	17,148.14
TOTAL EQUITY AND LIABILITIES	32,478.22	32,530.24



C. Consolidated Statement of Cash Flow

	Year ended 31 March 2021	Year ended 31 March 2020
	Rs. lakhs (Audited)	Rs. lakhs (Audited)
Cash flow from operating activities		
Profit/ (Loss) before exceptional item and tax	1,541.20	6.86
Depreciation and amortisation expense	1,578.90	1,441.16
Government Incentive	(8.20)	(8.69)
Interest on Lease deposits	(7.95)	(7.08)
Loss on sale of property, plant and equipment (net)	(0.60)	0.53
Property, plant and equipment Written off	-	2.22
Unrealized Foreign Exchange (Gain)/Loss	(85.61)	(51.46)
Provision for employee benefits	(19.87)	0.58
Dividend income on investments	-	(0.60)
Interest income	(34.02)	(18.86)
Bad debts Written off	66.82	-
Employee compensation cost (ESOP costs)	-	1.52
Finance costs	1,089.82	1,265.45
Operating profit before working capital changes	4,120.49	2,631.63
Movement in working capital :		
Increase/ (decrease) in trade and other payables	263.23	(1,520.08)
(Increase)/ decrease in inventories	204.19	(133.64)
(Increase)/decrease in trade and other receivables	(1,291.51)	1,709.44
Net Cash generated from operations	3,296.40	2,687.35
Direct taxes paid (net of refunds)	(111.27)	(495.83)
Net cash generated from operating activities (A)	3,185.13	2,191.52
Cash flow from investing activities		
Purchases of property, plant and equipment and intangibles (refer note i)	(647.71)	(1,852.77)
Sale proceeds of property, plant and equipment	0.59	3.60
Payment for acquisition of business, net of cash acquired	-	(5.00)
(Investments)/Maturity in bank deposits (having original maturity of more than three months) (net)	19.73	(68.22)
Restricted Cash	-	(33.11)
Interest received	39.30	14.40
Dividend received	-	0.60
Net cash (used in) investing activities (B)	(588.09)	(1,940.50)
Cash flow from financing activities		
Proceeds from issue of equity share	6.12	6.12
Proceeds from long term borrowings	1,916.77	3,500.00
(Repayment) of long term borrowings	(2,349.45)	(3,141.38)
(Repayment)/proceeds of short term borrowings (net)	(516.22)	913.06
(Repayment) of lease obligations	(139.40)	(66.12)
Deposits with bank towards margin money against borrowings (net)	(488.65)	34.65
Finance costs paid	(1,026.59)	(1,365.05)
Changes in unclaimed dividend bank balances	2.44	(6.42)
Dividends paid on equity shares (including unclaimed)	(2.44)	(74.48)
Tax on equity dividend paid	-	(16.63)
Net cash (used in) financing activities (C)	(2,597.42)	(216.25)
Change in currency fluctuation reserve arising on consolidation (D)	(6.47)	61.08
Net (decrease)/ increase in cash and cash equivalents (A+B+C+D)	(6.85)	95.85
Cash and cash equivalents taken over from acquired company	-	0.34
Opening cash and cash equivalents	146.10	49.91
Closing cash and cash equivalents	139.25	146.10
Components of cash and cash equivalents		
Cash on hand	6.18	17.31
Balances with banks in:		
- Current accounts	133.07	128.79
Total Cash and cash equivalents	139.25	146.10

Note (i) Includes capital work-in-progress and intangible assets under development.

Note (ii) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.



Notes (A to C):

- 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 29 May 2021. There are no qualifications in the audit report issued for the year ended 31 March 2021.
- 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 figures for the quarters ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited figures for the years ended as on that date and the year to date figures upto the end of third quarter of the respective financial years, on which auditors had performed a limited review.
- 4) The Company and its subsidiaries are principally engaged in a single business segment which is "pharmaceuticals".
- 5) Current tax provision for the quarters ended 31 March 2021 and 31 March 2020 have been computed post consideration of credits available during the quarter against expected current tax provisions recognized in the earlier quarters of the respective years.
- 6) Deferred tax credit for the 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) Exceptional item represents amount write off towards doubtful trade receivables relating to sales made in earlier years. The Holding Company had entered into an arrangement with one of its shareholders, whereby the Holding 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 and when the Holding Company is able to dispose off the shares for amounts which will be determinable on such liquidation.
- 8) 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 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.

Place: Nagpur
Date: 29 May 2021



A handwritten signature in black ink, appearing to read "Anwar S. Daud".

Anwar S. Daud
Managing Director



Walker ChandioK & Co LLP

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Independent Auditor's Report on Standalone Annual 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

Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of **ZIM Laboratories Limited** ('the Company') for the year ended **31 March 2021**, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') 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 standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements 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 Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.



ZIM Laboratories Limited
Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including 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 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors is 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.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, 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 control 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 in place adequate internal financial controls with reference to standalone financial statements 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 management.



ZIM Laboratories Limited
Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

- Conclude on the appropriateness of the management'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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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.

Other Matters

11. The Statement includes the financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us.

For **Walker Chandlok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Adi P. Sethna
Partner
Membership No:108840



UDIN:21108840AAAACL8938

Place: Mumbai
Date: 29 May 2021



ZIM Laboratories Limited

Registered Office : Sadoday Gyan(Ground Floor),Opp.NADT,Nelson Square Nagpur - 440013, Maharashtra, India

CIN:L99999MH1984PLC032172. Website: www.zimlab.in

A. STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31 MARCH 2021

(Rs. in lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Unaudited) Refer Note 3	(Unaudited)	(Unaudited) Refer Note 3	(Audited)	(Audited)
1	Income					
	a) Revenue from operations (Refer Note 7)	7,317.47	7,423.37	6,793.20	30,362.94	27,431.97
	b) Other income	84.89	78.78	245.35	244.90	465.65
	Total income	7,402.36	7,502.15	7,038.55	30,607.84	27,897.62
2	Expenses					
	a) Cost of materials consumed	4,123.72	3,251.46	2,542.01	15,282.21	13,366.79
	b) Purchases of stock-in-trade	33.70	273.90	719.35	691.59	1,587.17
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress (Refer Note 7)	(454.35)	68.69	233.31	(110.53)	(639.97)
	d) Employee benefits	887.69	956.22	928.51	3,448.34	3,458.42
	e) Finance costs	293.17	234.29	301.07	1,088.56	1,265.45
	f) Depreciation and amortisation	389.39	362.26	355.77	1,461.38	1,327.15
	g) Other expenses	1,874.11	2,134.31	1,789.67	7,370.20	7,681.35
	Total expenses	7,147.43	7,281.13	6,869.69	29,231.75	28,046.36
3	Profit/ (Loss) before exceptional item and tax (1-2)	254.93	221.02	168.86	1,376.09	(148.74)
4	Exceptional items (Refer Note 6)				(518.08)	
5	Profit/ (Loss) before tax (3+4)	254.93	221.02	168.86	858.01	(148.74)
6	Tax expense/ (credit)					
	Current Tax (Refer Note 8)	(214.04)	67.80	(36.61)	1.67	(12.33)
	Deferred Tax (Refer Note 5)	330.73	0.72	54.27	294.72	(310.47)
	Total tax expense / (credit)	116.69	68.52	17.66	296.39	(322.80)
7	Profit after tax (5-6)	138.24	152.50	151.20	561.62	174.06
8	Other comprehensive income - profit/(loss)					
	a) Items that will not be reclassified to profit or loss	(25.79)	(9.51)	10.44	(54.32)	(38.04)
	b) Tax (expense)/credit on the items that will not be reclassified to profit or loss	7.51	2.77	(3.05)	15.82	11.08
	Other comprehensive income (net of tax) - profit/(loss)	(18.28)	(6.74)	7.39	(38.50)	(26.96)
9	Total comprehensive income (7+8)	119.96	145.76	158.59	523.12	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
11	Other equity (revaluation reserve : Rs. Nil)				14,080.57	13,557.45
12	Earnings per share (face value of Rs. 10/- each) (not annualised) (Rs.)					
	Basic	0.85	0.94	0.93	3.46	1.07
	Diluted	0.85	0.94	0.93	3.46	1.07



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B. Standalone Balance Sheet

	As at 31 March 2021 Rs. lakhs (Audited)	As at 31 March 2020 Rs. lakhs (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	10,067.00	10,742.85
Capital work-in-progress	456.13	474.24
Intangible assets	247.68	381.12
Intangible assets under development	589.98	488.15
Investment in subsidiaries	802.44	802.44
Financial Assets		
Investment	5.15	5.15
Other financial assets	269.85	239.65
Deferred tax assets (net)	253.91	532.81
Income tax (current-tax) assets (net)	472.47	368.00
Other non-current assets	566.15	622.91
	13,730.76	14,657.32
Current assets		
Inventories (Refer Note 7)	5,434.72	5,638.91
Financial Assets		
Trade receivables	6,394.97	6,334.16
Cash and cash equivalents	90.39	67.13
Bank balances other than cash and cash equivalents	695.91	215.85
Loans	8.20	16.12
Other financial assets	980.61	645.48
Other current assets	4,692.27	4,711.52
	18,297.07	17,629.17
TOTAL ASSETS	32,027.83	32,286.49
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,624.19	1,618.07
Other equity	14,080.57	13,557.45
	15,704.76	15,175.52
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	2,182.92	2,742.01
Other financial liabilities	16.75	62.63
	2,199.67	2,804.64
Current liabilities		
Financial Liabilities		
Borrowings	4,460.00	4,969.00
Trade payables		
-total outstanding due of micro enterprises and small enterprises		
-total outstanding due of creditors other than micro enterprises and small enterprises	6,507.75	6,591.37
Other financial liabilities	2,054.20	1,898.99
Other current liabilities	961.07	741.04
Provisions	140.38	105.93
	14,123.40	14,306.33
TOTAL LIABILITIES	16,323.07	17,110.97
TOTAL EQUITY AND LIABILITIES	32,027.83	32,286.49



C. Standalone Statement of Cash Flow

	Year ended	Year ended
	31 March 2021	31 March 2020
	Rs. lakhs	Rs. lakhs
	(Audited)	(Audited)
Cash flow from operating activities		
Profit/ (Loss) before exceptional item and tax	1,376.09	(148.74)
Depreciation and amortisation expense	1,461.38	1,327.15
Government Incentive	(8.20)	(8.69)
Interest on Lease deposits	(7.95)	(7.08)
(Gain)/ loss on sale of property, plant and equipment (net)	(0.60)	0.53
Property, plant and equipment Written off	-	2.22
Unrealized Foreign Exchange (Gain)	(85.61)	(51.46)
Provision for employee benefits	(19.87)	0.58
Dividend income on investments	-	(0.60)
Interest income	(34.02)	(18.86)
Bad debts Written off	66.82	-
Employee compensation cost (ESOP costs)	-	1.52
Finance costs	1,088.56	1,265.45
Operating profit before working capital changes	3,836.60	2,362.02
Movement in working capital :		
Increase/ (decrease) in trade and other payables	211.34	(1,508.22)
(Increase)/ decrease in inventories	204.19	(133.64)
(Increase)/decrease in trade and other receivables	(956.31)	1,900.76
Net Cash generated from operations	3,295.82	2,620.92
Direct taxes paid (net of refunds)	(106.15)	(491.93)
Net cash generated from operating activities (A)	3,189.67	2,128.99
Cash flow from investing activities		
Purchases of property, plant and equipment and intangibles (refer note i)	(629.87)	(1,478.01)
Sale proceeds of property, plant and equipment	0.59	3.60
Investment in subsidiary	-	(354.09)
(Investments)/Maturity in bank deposits (having original maturity of more than three months) (net)	19.73	(68.22)
Interest received	39.30	14.40
Dividend received	-	0.60
Net cash (used in) investing activities (B)	(570.25)	(1,881.72)
Cash flow from financing activities		
Proceeds from issue of equity share	6.12	6.12
Proceeds from long term borrowings	1,916.77	3,500.00
(Repayment) of long term borrowings	(2,349.45)	(3,141.38)
(Repayment)/proceeds of short term borrowings (net)	(516.22)	913.06
(Repayment) of lease obligations	(139.40)	(66.12)
Deposits with bank towards margin money against borrowings (net)	(488.65)	34.65
Finance costs paid	(1,025.33)	(1,365.05)
Changes in unclaimed dividend bank balances	2.44	(6.42)
Dividends paid on equity shares (including unclaimed)	(2.44)	(74.48)
Tax on equity dividend paid	-	(16.63)
Net cash (used in) financing activities (C)	(2,596.16)	(216.25)
Net increase in cash and cash equivalents (A+B+C)	23.26	31.02
Opening cash and cash equivalents	67.13	36.11
Closing cash and cash equivalents	90.39	67.13
Components of cash and cash equivalents		
Cash on hand	6.18	17.30
Balances with banks in:		
- Current accounts	84.21	49.83
Total Cash and cash equivalents	90.39	67.13

Note (i) Includes capital work-in-progress and intangible assets under development.

Note (ii) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.



Notes (A to C):

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 29 May 2021. There are no qualifications in the audit report issued for the year ended 31 March 2021.

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 figures for the quarters ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited figures for the years ended as on that date and the year to date figures upto the end of third quarter of the respective financial years, on which auditors had performed a limited review.

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

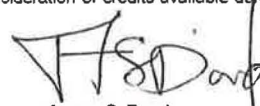
5) Deferred tax credit for the year ended 31 March 2020, includes credit due to impact of change in applicable tax rates from 34.94% to 29.12% on net deferred tax liabilities (excluding MAT Credit Entitlement Assets) as at 1 April 2019.

6) Exceptional item represents write off 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 and when the Company is able to dispose-off the shares for amounts which will be determinable on such liquidation.

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 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) Current tax provision for the quarters ended 31 March 2021 and 31 March 2020 have been computed post consideration of credits available during the quarter against expected current tax provisions recognized in the earlier quarters of the respective years.

Place: Nagpur
Date: 29 May 2021


Anwar S. Daud
Managing Director

