



Zeal & Innovation in Medicine

Ref No.: ZLL/BM/BSE

Date : 04.02.2020

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. 22.01.2020

This is to inform you that the Board of Directors at its meeting held today have inter-alia considered and approved Unaudited (Consolidated and Standalone) Financial Results of the company for the quarter and nine months ended 31.12.2019. Copy of Financial Results (Consolidated and Standalone) along with Limited Review Report issued by Walker Chandiook & Co LLP, Statutory Auditor of the Company is enclosed.

The Board Meeting commenced at 1.00 p.m. and concluded at 4.30 p.m.

Thanking you,

Yours faithfully,
For ZIM LABORATORIES LIMITED

(Piyush Nikhade)
Company Secretary and Compliance Officer



Encl : As above.

ZIM LABORATORIES LIMITED

www.zimlab.in | info@zimlab.in | CIN : L99999MH1984PLC032172

Works : B-21/22, MIDC Area, Kalmeshwar – 441 501 Dist. Nagpur
Maharashtra, India. Ph. + 91.718.271370 | Fax : +091.7118.271470

Regd. Office : Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square,
Nagpur – 440013. Maharashtra, India. Ph. +091.712.2588070

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date 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 consolidated unaudited financial results ('the Statement') of ZIM Laboratories Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 31 December 2019 and the consolidated year to date results for the period 1 April 2019 to 31 December 2019, 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.
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 as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. 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.



ZIM Laboratories Limited

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

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.

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 recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circular(s) 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 7 to the accompanying Statement regarding delay in receipt of foreign currency receivables of the Company aggregating to INR 1,053.09 lakhs as at 31 December 2019, beyond the timelines stipulated vide FED Master Direction No. 16/2015-16, under the Foreign Exchange Management Act, 1999. The management of the Company is in the process of recovering the outstanding dues and is of the view that the fine/penalties, if any, that may be levied, is currently unascertainable but is not expected to be material and accordingly, the accompanying Statement do not include the impact of consequential adjustments, if any, with respect to such delay/default. Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No: 001076N/N500013

Adi P. Sethna

Partner

Membership No. 108840

UDIN No:20108840AAAABA8216

Place: Nagpur

Date: 04 February 2020



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

Annexure 1

List of entities included in the Statement

Subsidiary companies (wholly owned)

1. ZIM Laboratories FZE
2. ZIM Health Technologies Limited
3. SIA "ZIM Laboratories Limited"

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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 2019

(Rs. in lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	7,334.54	6,779.07	9,805.33	20,854.35	24,078.19	33,537.03
	b) Other income	61.47	42.24	72.06	208.86	125.39	204.94
	Total income	7,396.01	6,821.31	9,877.39	21,063.21	24,203.58	33,741.97
2	Expenses						
	a) Cost of materials consumed	3,818.56	3,571.83	4,103.62	10,824.78	10,181.16	14,303.47
	b) Purchases of stock-in-trade	151.34	57.33	385.48	867.82	1,191.39	1,659.16
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(336.67)	(168.04)	228.34	(873.28)	(166.33)	(12.00)
	d) Employee benefits	1,267.81	1,268.66	1,280.78	3,816.91	3,628.86	4,826.01
	e) Finance costs	322.77	317.32	251.29	964.38	810.90	1,059.08
	f) Depreciation and amortisation	374.35	345.37	275.74	1,055.31	819.05	1,141.83
	g) Other expenses	1,632.96	1,590.46	2,545.38	4,647.79	6,065.07	8,557.38
	Total expenses	7,231.12	6,982.93	9,070.63	21,303.71	22,530.10	31,534.93
3	Profit/ (Loss) before tax (1-2)	164.89	(161.62)	806.76	(240.50)	1,673.48	2,207.04
4	Tax expense/ (credit)						
	Current Tax	24.28	-	181.05	24.28	335.47	490.37
	Deferred Tax (refer Note 6)	(11.58)	(100.74)	36.63	(364.74)	34.09	182.48
	Total tax expense / (credit)	12.70	(100.74)	217.68	(340.46)	369.56	672.85
5	Profit/(Loss) after tax (3-4)	152.19	(60.88)	589.08	99.96	1,303.92	1,534.19
6	Other comprehensive income - profit/(loss)						
	a) Items that will not be reclassified to profit or loss	(16.16)	(16.16)	(4.73)	(48.48)	(14.19)	(64.63)
	b) Tax (expense)/credit on the items that will not be reclassified to profit or loss	4.71	4.71	1.65	14.13	4.95	22.58
	c) Items that will be reclassified to profit or loss	1.72	12.78	(21.36)	9.12	5.94	(7.07)
	d) Tax (expense)/credit on the items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other comprehensive income (net of tax) - profit/(loss)	(9.73)	1.33	(24.44)	(25.23)	(3.30)	(49.12)
7	Total comprehensive income (5+6)	142.46	(59.55)	564.64	74.73	1,300.62	1,485.07
8	Paid-up equity share capital (face value of Rs. 10/- each)	1,618.07	1,618.07	1,611.94	1,618.07	1,611.94	1,611.95
9	Other equity (revaluation reserve : Rs. Nil)						13,499.89
10	Earnings per share (face value of Rs. 10/- each) (not annualised) (Rs.)						
	Basic	0.94	(0.37)	3.65	0.62	8.09	9.52
	Diluted	0.94	(0.37)	3.63	0.62	8.03	9.45



Notes :

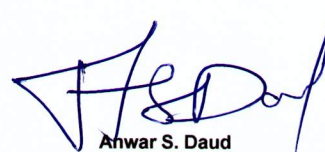
- 1) The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 04 February 2020. There are no qualifications in the limited review report issued for the quarter and nine months ended 31 December 2019.
- 2) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016.
- 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) The Company has adopted Ind AS 116, 'Leases', effective 1 April 2019, using modified retrospective approach, as a result of which comparative information are not required to be restated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at Rs.146.13 lakhs and accordingly recognised right-of-use assets at Rs.156.94 lakhs by adjusting retained earnings by Rs. 3.63 lakhs (net of tax), as at the aforesaid date. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases are recognised as amortisation of right-of-use of assets and finance cost, as compared to lease rent in corresponding periods, and to this extent results for the current period are not comparable.

The Impact of adopting Ind AS-116 on the financial results for the quarter/ nine months ended 31 December 2019 is as follows:

Particulars	(Rs. in lakhs)					
	Quarter ended 31.12.2019 (Erstwhile basis)	Quarter ended 31.12.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit	Nine months ended 31.12.2019 (Erstwhile basis)	Nine months ended 31.12.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit
Other expenses	1,652.13	1,632.96	19.17	4,705.30	4,647.79	57.51
Finance costs	319.11	322.77	(3.66)	951.98	964.38	(12.40)
Depreciation and amortisation	355.28	374.35	(19.07)	998.11	1,055.31	(57.20)
Profit/ (Loss) Before tax	168.45	164.89	(3.56)	(228.41)	(240.50)	(12.09)

- 6) Deferred tax credit for the nine months ended 31 December 2019, includes credit due to changes in applicable tax rates as per the Finance Act, 2019, from 34.94% to 29.12% on net deferred tax liabilities as at 1 April 2019, recognised during the quarter ended 30 September 2019.
- 7) The outstanding balances as at 31 December 2019 include trade receivables of the Company aggregating INR 1,053.09 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. 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. Accordingly, the accompanying consolidated financial results do not include the impact of consequential adjustments, if any, that may arise due to such delay/default.

Place: Nagpur
Date: 04 February 2020


Anwar S. Daud
 Managing Director



Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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, 2019 and the year to date results for the period 01 April 2019 to 31 December 2019, 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 as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. 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.



ZIM Laboratories Limited

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

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 as per the presentation requirements of the SEBI Circular(s), 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 6 to the accompanying Statement regarding delay in receipt of foreign currency receivables aggregating to INR 1,053.09 lakhs as at 31 December 2019, beyond the timelines stipulated vide FED Master Direction No. 16/2015-16, under the Foreign Exchange Management Act, 1999. The management of the Company is in the process of recovering the outstanding dues and is of the view that the fine/penalties, if any, that may be levied, is currently unascertainable but is not expected to be material and accordingly, the accompanying Statement do not include the impact of consequential adjustments, if any, 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 No:20108840AAAAAZ4940

Place: Nagpur

Date: 04 February 2020





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 2019

(Rs. in lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	7,219.49	6,733.69	9,704.52	20,638.77	23,809.48	33,172.14
	b) Other income	64.52	43.77	72.06	220.30	125.39	204.94
	Total income	7,284.01	6,777.46	9,776.58	20,859.07	23,934.87	33,377.08
2	Expenses						
	a) Cost of materials consumed	3,818.56	3,571.83	4,103.62	10,824.78	10,181.16	14,303.47
	b) Purchases of stock-in-trade	151.34	57.33	385.48	867.82	1,191.39	1,659.16
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(336.67)	(168.04)	228.34	(873.28)	(166.33)	(12.00)
	d) Employee benefits	1,247.56	1,248.48	1,276.36	3,766.37	3,622.30	4,814.25
	e) Finance costs	322.77	317.32	251.29	964.38	810.90	1,059.08
	f) Depreciation and amortisation	346.79	316.37	275.74	971.38	819.05	1,114.28
	g) Other expenses	1,652.16	1,583.52	2,472.68	4,655.22	5,968.07	8,164.99
	Total expenses	7,202.51	6,926.81	8,993.51	21,176.67	22,426.54	31,103.23
3	Profit/ (Loss) before tax (1-2)	81.50	(149.35)	783.07	(317.60)	1,508.33	2,273.85
4	Tax expense/ (credit)						
	Current Tax	24.28	-	181.05	24.28	335.47	490.37
	Deferred Tax (refer Note 5)	(11.59)	(100.74)	36.63	(364.74)	34.09	182.48
	Total tax expense / (credit)	12.69	(100.74)	217.68	(340.46)	369.56	672.85
5	Profit/(Loss) after tax (3-4)	68.81	(48.61)	565.39	22.86	1,138.77	1,601.00
6	Other comprehensive income - profit/(loss)						
	a) Items that will not be reclassified to profit or loss	(16.16)	(16.16)	(4.73)	(48.48)	(14.19)	(64.63)
	b) Tax (expense)/credit on the items that will not be reclassified to profit or loss	4.71	4.71	1.65	14.13	4.95	22.58
	Other comprehensive income (net of tax) - profit/(loss)	(11.45)	(11.45)	(3.08)	(34.35)	(9.24)	(42.05)
7	Total comprehensive income (5+6)	57.36	(60.06)	562.31	(11.49)	1,129.53	1,558.95
8	Paid-up equity share capital (face value of Rs. 10/- each)	1,618.07	1,618.07	1,611.94	1,618.07	1,611.94	1,611.95
9	Other equity (revaluation reserve : Rs. Nil)						13,509.99
10	Earnings per share (face value of Rs. 10/- each) (not annualised) (Rs.)						
	Basic	0.42	(0.30)	3.51	0.14	7.06	9.93
	Diluted	0.42	(0.30)	3.48	0.14	7.02	9.86



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 04 February 2020. There are no qualifications in the limited review report issued for the quarter and nine months ended 31 December 2019.
- 2) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016.
- 3) The Company is principally engaged in a single business segment which is "pharmaceuticals".
- 4) The Company has adopted Ind AS 116, 'Leases', effective 1 April 2019, using modified retrospective approach, as a result of which comparative information are not required to be restated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at Rs.146.13 lakhs and accordingly recognised right-of-use assets at Rs.156.94 lakhs by adjusting retained earnings by Rs. 3.63 lakhs (net of tax), as at the aforesaid date. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases are recognised as amortisation of right-of-use of assets and finance cost, as compared to lease rent in corresponding periods, and to this extent results for the current period are not comparable.

The Impact of adopting Ind AS-116 on the financial results for the quarter/ nine months ended 31 December 2019 is as follows:

Particulars	(Rs. in lakhs)					
	Quarter ended 31.12.2019 (Erstwhile basis)	Quarter ended 31.12.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit	Nine months ended 31.12.2019 (Erstwhile basis)	Nine months ended 31.12.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit
Other expenses	1,671.33	1,652.16	19.17	4,712.73	4,655.22	57.51
Finance costs	319.11	322.77	(3.66)	951.98	964.38	(12.40)
Depreciation and amortisation	327.72	346.79	(19.07)	914.18	971.38	(57.20)
Profit/ (Loss) Before tax	85.06	81.50	(3.56)	(305.51)	(317.60)	(12.09)

- 5) Deferred tax credit for the nine months ended 31 December 2019, includes credit due to changes in applicable tax rates as per the Finance Act, 2019, from 34.94% to 29.12% on net deferred tax liabilities as at 1 April 2019, recongnised during the quarter ended 30 September 2019.
- 6) The outstanding balances as at 31 December 2019 include trade receivables aggregating INR 1,053.09 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. 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. Accordingly, the accompanying standalone financial results do not include the impact of consequential adjustments, if any, that may arise due to such delay/default.

Place: Nagpur
Date: 04 February 2020


Anwar S. Daud
Managing Director

