



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

IOLCP/CGC/2020
31st July 2020

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051
Security Symbol: IOLCP

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001
Security Code: 524164

Subject: Outcome of the Board Meeting dated 31st July 2020 and submission of Audited Financial Results for the quarter ended 30th June 2020.

Dear Sir,

Pursuant to Regulations 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors in its meeting held today i.e. 31st July 2020 has interalia considered the following:

1. Approved the Audited Financial Results for the Quarter ended 30th June 2020. Copy of the said financial results along with unmodified Auditors Report thereon is enclosed herewith.
2. Successful setting up a new Unit VII for manufacturing of 'Metformin' with the additional capacity of 7,200 MT per annum with capex of ₹ 28 Crore which is funded fully through internal accruals. Presently, the Company is operating existing unit for Metformin, having installed capacity of 4,000 MT per annum, which is fully utilized. With this additional capacity, now the total installed capacity of Metformin is 11,200 MT per annum.
3. Fixed the 33rd Annual General Meeting of the members of the Company to be held on the Saturday, 26th September 2020 through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility.
4. Approved the closure of the Register of Members and Share Transfer from Saturday, 19th September 2020 to Saturday, 26th September 2020 (both days inclusive) for the purpose of Annual General Meeting of the Company.

The meeting of Board of Directors commenced at 4:30 PM and concluded at 06:15 PM.

The above Audited Financial Results are also available on the website of the Company i.e. www.iolcp.com.

This is for your information & record.

Thanking You,
Yours faithfully,
For IOL Chemicals and Pharmaceuticals Limited


Abhay Raj Singh
AVP & Company Secretary



Head Office : 85, Industrial Area 'A', Ludhiana. 141 003 (Pb.) India CIN - L24116PB1986PLC007030
Ph. : +91-161-2225531-35 Fax : +91-161-2226929, 2608784 email : contact@iolcp.com Website : iolcp.com
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Works : Village Fatehgarh Channa, Mansa Road (Trident Complex) District - Barnala, 148101 State - Punjab, INDIA.
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IOL CHEMICALS AND PHARMACEUTICALS LIMITED

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

in ₹ Crore

Sr. No.	Particulars	Quarter ended			Year ended
		30.06.2020 (Audited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
	Income:				
I	Revenue from operations	460.11	441.46	492.80	1,894.47
II	Other Income	5.80	5.35	3.32	16.02
III	Total income (I+II)	465.91	446.81	496.12	1,910.49
	Expenses:				
IV	Cost of materials consumed	251.79	247.12	264.29	1,044.05
	Purchase of stock-in-trade	-	-	-	-
	Changes in inventories of finished goods and work-in-progress	(3.55)	(4.66)	16.57	20.96
	Employee benefits expense	24.28	25.07	23.99	97.20
	Finance costs	1.82	2.76	8.32	20.93
	Depreciation and amortization expense	9.36	9.36	8.59	35.73
	Other expenses	35.47	37.08	43.34	158.38
	Total Expenses (IV)	319.17	316.73	365.10	1,377.25
V	Profit before exceptional items and tax (III-IV)	146.74	130.08	131.02	533.24
VI	Exceptional items	-	-	-	-
VII	Profit before tax (V-VI)	146.74	130.08	131.02	533.24
VIII	Tax Expense:				
	Current tax	37.43	40.41	44.62	170.90
	Deferred tax	(18.23)	(0.59)	1.08	1.05
	Total tax expense	19.20	39.82	45.70	171.95
IX	Profit for the period (VII-VIII)	127.54	90.26	85.32	361.29
X	Other Comprehensive Income				
A	Items that will not be reclassified to profit or loss				
	(i) Remeasurement of Defined benefit obligation	0.04	(0.23)	-	(2.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.01)	0.08	-	0.77
B	Items that will be reclassified to profit or loss				
	(i) Net movement in effective portion of cash flow hedge reserve	(0.82)	(0.12)	-	(0.12)
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.21	0.04	-	0.04
XI	Total Comprehensive Income for the period (IX+X)	126.96	90.03	85.32	359.77
XII	Paid-up equity share capital (Face value ₹10/- per share)	58.71	56.89	56.89	56.89
XIII	Other equity (Reserves excluding revaluation reserve)				756.65
XIV	Earning per equity share of ₹10/- each (for continuing and discontinued operations) (not annualised except for the year ended 31.03.2020)				
	Basic	22.30	15.87	15.00	63.51
	Diluted	22.30	15.74	15.00	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
		30.06.2020 (Audited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
1	Segment Revenue				
	(Net sale/income)				
	- Chemicals	155.78	156.92	197.36	711.96
	- Drugs	313.05	292.69	308.67	1,221.64
	- Unallocated	3.97	2.99	1.44	9.36
	Total	472.80	452.60	507.47	1,942.96
	Less : Inter segment revenue	6.89	5.79	11.35	32.47
	Net sales/income from operations	465.91	446.81	496.12	1,910.49
2	Segment Results				
	Profit before tax and interest (from each segment)				
	- Chemicals	8.36	5.61	7.53	28.31
	- Drugs	137.93	126.02	131.26	521.57
	Total	146.29	131.63	138.79	549.88
	Less: Interest	1.82	2.76	8.32	20.93
	Add: Other un-allocable income net off un-allocable expenditure	2.27	1.21	0.55	4.29
	Total Profit before tax & Extraordinary items	146.74	130.08	131.02	533.24
3	Segment Assets				
	- Chemicals	409.81	340.91	351.85	340.91
	- Drugs	599.92	595.08	551.79	595.08
	- Unallocated	343.87	239.57	118.64	239.57
	Total Assets	1,353.60	1,175.56	1,022.28	1,175.56
4	Segment Liabilities				
	- Chemicals	197.70	127.65	123.90	127.65
	- Drugs	89.13	86.64	79.49	86.64
	- Unallocated	98.32	147.73	259.23	147.73
	Total Liabilities	385.15	362.02	462.62	362.02

NOTES:

- The above results have been reviewed by the Audit & Risk Management Committee and thereafter approved by the Board of Directors in their respective meetings held on 31st July 2020.
- The standalone audited financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Company has, as at the date of approval of these standalone financial results, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
- The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for taxation and remeasured its deferred tax liabilities basis the rate prescribed in the said Section and the resultant impact is recognised in the current period statement of Profit and Loss. 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. Therefore, income tax expense for the Quarter ended 30 June 2020 is not comparable to all periods presented in the above results.
- Presently, the Company is operating a Metformin Unit with an installed capacity of 4,000 MT per annum. To cater the increase in its demand, the Company successfully set up a new Metformin Unit VII for manufacturing Metformin with the additional capacity of 7,200 MT per annum with capex of ₹ 28 Crore which is funded fully through internal accruals. With this additional capacity, now the total installed capacity of Metformin is 11,200 MT per annum.
- Consequent upon conversion of all outstanding Warrants, the Company has allotted 18,18,000 Equity Shares to M/s NCVI Enterprises Limited during the quarter. The paid up share capital of the company has increased from ₹ 56,88,75,020/- to ₹ 58,70,55,020/-
- The previous financial quarter / year figures have been regrouped/rearranged/restated wherever considered necessary.

Place: Ludhiana
Date : 31 July 2020

By order of the Board
For IOL Chemicals and Pharmaceuticals Limited



Vijay Garg
Joint Managing Director
DIN: 06510248

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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL RESULTS

To
The Board of Directors of
IOL Chemicals and Pharmaceuticals Ltd.

Opinion

We have audited the accompanying Financial Results of IOL Chemicals and Pharmaceuticals Ltd. CIN-(L24116PB1986PLC007030) ("the Company"), for the quarter ended June 30, 2020 ("the Financial Results"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results:

- (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulation; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter ended June 30, 2020.

Basis for Opinion

We conducted our audit of the Financial Results in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in 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 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 quarter ended June 30, 2020. 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 recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

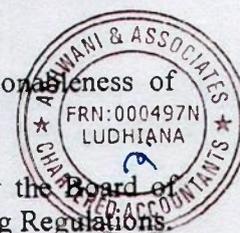
The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

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 the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirement specified under Regulation 33 of the Listing Regulations.



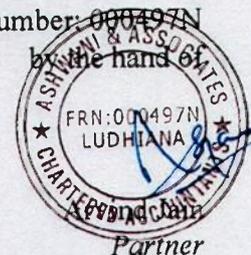
- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the Company to express an opinion on the financial results.

Materiality is the magnitude of misstatements in the financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



Membership No.: 097549
 UDIN: 20097549AAAABN1053

Place: Ludhiana
 Dated: July 31, 2020