



# IOL CHEMICALS AND PHARMACEUTICALS LIMITED

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2019

Rs. Crore

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	<b>Income:</b>						
I	Revenue from operations	448.96	492.80	422.91	941.76	784.75	1,685.33
II	Other Income	3.39	3.32	5.79	6.71	9.35	10.37
III	<b>Total income (I+II)</b>	<b>452.35</b>	<b>496.12</b>	<b>428.70</b>	<b>948.47</b>	<b>794.10</b>	<b>1,695.70</b>
	<b>Expenses:</b>						
IV	Cost of materials consumed	253.13	264.29	261.25	517.42	471.52	987.00
	Purchase of stock-in-trade	-	-	-	-	-	8.94
	Changes in inventories of finished goods and work-in-progress	(0.73)	16.57	27.62	15.84	90.11	51.31
	Employee benefits expense	24.08	23.99	19.10	48.07	37.00	78.43
	Finance costs	6.09	8.32	13.90	14.41	29.74	51.42
	Depreciation and amortization expense	8.84	8.59	8.16	17.43	16.08	32.45
	Other expenses	39.56	43.34	39.84	82.90	71.15	150.00
	<b>Total Expenses (IV)</b>	<b>330.97</b>	<b>365.10</b>	<b>369.87</b>	<b>696.07</b>	<b>715.60</b>	<b>1,359.55</b>
V	Profit before exceptional items and tax (III-IV)	121.38	131.02	58.83	252.40	78.50	336.15
VI	Exceptional items	-	-	-	-	-	-
VII	Profit before tax (V-VI)	121.38	131.02	58.83	252.40	78.50	336.15
VIII	<b>Tax Expense:</b>						
	Current tax	34.76	44.62	12.67	79.38	16.91	71.96
	Deferred tax	(1.08)	1.08	7.76	-	8.78	27.49
	<b>Total tax expense</b>	<b>33.68</b>	<b>45.70</b>	<b>20.43</b>	<b>79.38</b>	<b>25.69</b>	<b>99.45</b>
IX	<b>Profit for the period (VII-VIII)</b>	<b>87.70</b>	<b>85.32</b>	<b>38.40</b>	<b>173.02</b>	<b>52.81</b>	<b>236.70</b>
X	<b>Other Comprehensive Income</b>						
	(i) Items that will not be reclassified to profit or loss						
	Remeasurement of Defined benefit obligation	(2.13)	-	-	(2.13)	-	(2.15)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.75	-	-	0.75	-	0.75
XI	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>86.32</b>	<b>85.32</b>	<b>38.40</b>	<b>171.64</b>	<b>52.81</b>	<b>235.30</b>
XII	Paid-up equity share capital (Face value Rs.10/- per share)	56.89	56.89	56.21	56.89	56.21	56.89
XIII	Earning per share (of Rs.10/- each) (not annualised except for the year ended 31.03.2019)						
	Basic	15.42	15.00	6.84	30.42	9.40	42.11
	Diluted	15.42	15.00	6.84	30.42	9.40	42.11



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

Regd. Office : Trident Complex, Raikot Road, Barnala - 148 101 (Pb.) India

Works : Village Fatehgarh Channa, Mansa Road (Trident Complex) District - Barnala, 148101 State - Punjab, INDIA.

Ph. : +91-1679 -285285-86, Fax : +91-1679-285292

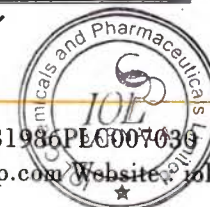


# IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Balance Sheet as at 30 September 2019

Particulars	Rs. Crore	
	As at 30-Sep-2019 Audited	As at 31-Mar-2019 Audited
<b>ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, Plant and Equipment	414.00	411.14
(b) Capital work-in-progress	45.72	27.02
(c) Intangible assets	0.46	0.58
(d) Right of use assets (operating leases)	3.72	-
(e) Financial assets		
Other financial assets	16.31	7.45
(f) Other non-current assets	2.32	7.63
<b>Total non-current assets</b>	<b>482.53</b>	<b>453.82</b>
<b>2 Current Assets</b>		
(a) Inventories	185.62	188.86
(b) Financial assets		
(i) Investments	0.06	0.06
(ii) Trade receivables	216.53	199.16
(iii) Cash and cash equivalents	62.67	13.41
(iv) Bank Balances other than (iii) above	13.95	16.19
(v) Other financial assets	0.73	2.74
(c) Other current assets	64.47	67.64
<b>Total current assets</b>	<b>544.03</b>	<b>488.06</b>
<b>TOTAL ASSETS</b>	<b>1,026.56</b>	<b>941.88</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	56.89	56.89
(b) Other equity	589.09	417.45
<b>Total equity</b>	<b>645.98</b>	<b>474.34</b>
<b>Liabilities</b>		
<b>1 Non-current liabilities</b>		
(a) Financial Liabilities		
Borrowings	75.05	189.88
(b) Provisions	7.83	4.59
(c) Deferred tax liabilities (net)	50.45	15.53
(d) Lease liability	3.13	-
(e) Other non-current liabilities	0.58	0.65
<b>Total non-current liabilities</b>	<b>137.04</b>	<b>210.65</b>
<b>2 Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	19.80	67.72
(ii) Trade payables		
(A) Total outstanding dues of Micro enterprises and small enterprises	3.89	5.85
(B) Total outstanding dues of Creditors other than Micro enterprises and small enterprises	168.13	114.42
(iii) Other financial liabilities	47.69	61.34
(b) Other current liabilities	2.69	2.54
(c) Lease liability	0.71	-
(d) Provisions	0.63	0.55
(e) Current tax liabilities (net)	-	4.47
<b>Total current liabilities</b>	<b>243.54</b>	<b>256.89</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,026.56</b>	<b>941.88</b>

*Yarg*



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  
 Regd. Office : Trident Complex, Raikot Road, Barnala - 148 101 (Pb.) India  
 Works : Village Fatehgarh Channa, Mansa Road (Trident Complex) District - Barnala, 148101 State - Punjab, INDIA.  
 Ph. : +91-1679 -285285-86, Fax : +91-1679-285292



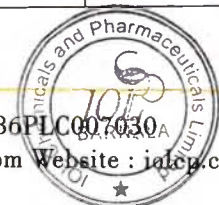
# IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Cash flow statement for the period ended 30 September 2019

Rs. Crore

Particulars	Half year ended 30-Sep-2019 Audited	Half year ended 30-Sep-2018 Unaudited
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>252.40</b>	<b>78.50</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	17.43	16.08
Unrealised Loss /(Profit) on foreign currency rate fluctuation	(0.55)	(3.21)
Subsidy Income amortized	(0.03)	(0.03)
Interest income on financial assets carried at amortized cost net of rent amortized during the year	(0.03)	-
Deferred interest income (Unsecured loan)	-	(0.52)
Liabilities no longer required written back	(0.03)	(0.83)
Loss/(Profit) on Property, plant and equipment sold (net)	0.06	0.01
Interest expense	14.41	29.74
Interest income	(1.74)	(0.72)
	29.52	40.52
<b>Operating profit before working capital changes</b>	<b>281.92</b>	<b>119.02</b>
Changes in working capital:		
Increase/(Decrease) in trade payables and other liabilities	53.98	2.69
Decrease/(Increase) in trade and other receivables	0.13	(84.93)
Decrease/(Increase) in inventories	3.24	88.77
	57.35	6.53
<b>Cash generated from operations</b>	<b>339.27</b>	<b>125.55</b>
Income tax paid (net)	(54.57)	(14.32)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>284.70</b>	<b>111.23</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment including intangible assets and Capital work in progress	(39.18)	(35.41)
Proceeds from sale of property, plant and equipment	0.44	0.08
Interest received	1.72	0.66
<b>Bank balances not considered as cash and cash equivalents:</b>		
Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments	(6.59)	(1.14)
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(43.61)</b>	<b>(35.81)</b>
<b>Cash flow from financing activities</b>		
Proceeds from non current borrowings	-	0.35
Repayment of non current borrowings	(128.41)	(10.52)
Repayment of other non current liabilities	-	(13.16)
Repayment of current borrowing	(47.92)	(22.06)
Interest paid	(15.00)	(29.46)
Lease rent payments	(0.50)	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(191.83)</b>	<b>(74.85)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>49.26</b>	<b>0.57</b>
Cash and cash equivalents at the beginning of the period	13.41	0.74
Cash and cash equivalents at the end of the period *	<b>62.67</b>	<b>1.31</b>
* Comprises		
Balances with banks in current account	12.11	0.82
Balances with bank in deposit accounts with original maturity of three months or less	50.00	-
Cash on hand	0.56	0.49
	<b>62.67</b>	<b>1.31</b>

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  
 Regd. Office : Trident Complex, Raikot Road, Barnala - 148 101 (Pb.) India  
 Works : Village Fatehgarh Channa, Mansa Road (Trident Complex) District - Barnala, 148101 State - Punjab, INDIA.  
 Ph. : +91-1679 -285285-86, Fax : +91-1679-285292





# IOL CHEMICALS AND PHARMACEUTICALS LIMITED

## SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Rs. Crore

Sr.No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	<b>Segment Revenue</b>						
	(Net sale/income)						
	- Chemicals	163.81	197.36	196.33	361.17	353.43	765.34
	- Drugs	293.80	308.67	270.11	602.47	518.18	1,120.78
	- Unallocated	2.52	1.44	7.83	3.96	13.08	18.44
	<b>Total</b>	<b>460.13</b>	<b>507.47</b>	<b>474.27</b>	<b>967.60</b>	<b>884.69</b>	<b>1,904.56</b>
	Less : Inter segment revenue	7.78	11.35	45.57	19.13	90.59	208.86
	<b>Net sales/income from operations</b>	<b>452.35</b>	<b>496.12</b>	<b>428.70</b>	<b>948.47</b>	<b>794.10</b>	<b>1,695.70</b>
2	<b>Segment Results</b>						
	Profit before tax and interest from each segment)						
	- Chemicals	5.54	7.53	4.96	13.07	7.44	26.51
	- Drugs	120.42	131.26	66.07	251.68	97.58	357.92
	<b>Total</b>	<b>125.96</b>	<b>138.79</b>	<b>71.03</b>	<b>264.75</b>	<b>105.02</b>	<b>384.43</b>
	Less: Interest	6.09	8.32	13.90	14.41	29.74	51.42
	Add: Other un-allocable income net off un-allocable expenditure	1.51	0.55	1.70	2.06	3.22	3.14
	<b>Total Profit before tax &amp; Extraordinary items</b>	<b>121.38</b>	<b>131.02</b>	<b>58.83</b>	<b>252.40</b>	<b>78.50</b>	<b>336.15</b>
3	<b>Segment Assets</b>						
	- Chemicals	323.94	351.85	287.90	323.94	287.90	304.64
	- Drugs	548.52	551.79	498.43	548.52	498.43	550.65
	- Unallocated	154.10	118.64	47.79	154.10	47.79	86.59
	<b>Total Assets</b>	<b>1,026.56</b>	<b>1,022.28</b>	<b>834.12</b>	<b>1,026.56</b>	<b>834.12</b>	<b>941.88</b>
4	<b>Segment Liabilities</b>						
	- Chemicals	119.25	123.90	78.23	119.25	78.23	74.83
	- Drugs	87.02	79.49	67.31	87.02	67.31	75.53
	- Unallocated	174.31	259.23	420.03	174.31	420.03	317.18
	<b>Total Liabilities</b>	<b>380.58</b>	<b>462.62</b>	<b>565.57</b>	<b>380.58</b>	<b>565.57</b>	<b>467.54</b>

### 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 14 November 2019.
- The financial results for the quarter / half year ended 30 September 2019 have been audited by the Statutory Auditors and expressed their unmodified reports thereon, whereas the results for the corresponding previous quarter / half year ended 30 September 2018 were subjected to limited review by the auditors.
- The Company has adopted Ind AS 116 'Leases' effective 01 April 2019 (transition date), and applied the standard to its Leases using the modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted. This has resulted in recognizing a Right-of-use assets and corresponding Lease Liability of Rs.4.16 Crore and its application did not have any material impact on the financial results of the Company. Consequently, there has been no adjustment to the opening balance of retained earnings as on 01 April 2019. In the statement of profit and loss for the quarter and half year ended 30 September 2019, the nature of expenses in respect of operating leases has changed from rent to depreciation cost for the right-of-use assets and finance cost for interest on lease liability.
- In accordance with Taxation Law (Amendment) Ordinance, 2019 dated 20 September 2019 and considering the fact that the Company has existing benefits available in the form of unabsorbed depreciation and MAT credits, the Company has opted to continue to recognize tax expense at the existing income tax rate as applicable to the Company for the time being.
- The Company has successfully set up "Unit VI" to manufacture "Pantoprazole" and has started its trial production. The installed capacity of the "Unit VI" is 240 MT per annum with a capex of Rs.33.83 Crore, which is met through internal accruals only.
- The previous financial period figures have been regrouped/rearranged/restated wherever considered necessary.

By order of the Board  
For IOL Chemicals and Pharmaceuticals Limited



Vijay Garg  
Joint Managing Director  
DIN: 06510248

Place: Ludhiana  
Date: 14 November 2019

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  
Regd. Office: Trident Complex, Raikot Road, Barnala - 148 101 (Pb.) India  
Works: Village Fatehgarh Channa, Mansa Road (Trident Complex) District - Barnala, 148101 State - Punjab, INDIA.  
Ph. : +91-1679 -285285-86, Fax : +91-1679-285292

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

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

We have audited the accompanying Financial Results of IOL Chemicals and Pharmaceuticals Ltd. CIN-(L24116PB1986PLC007030) ("the Company"), for the quarter and half year ended September 30, 2019 ("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 explanations given to us, the Financial Results:

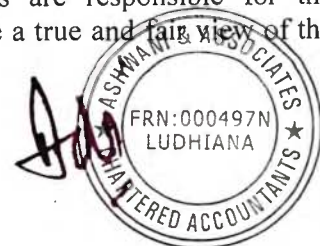
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with Indian Accounting Standard 34 and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and half year ended September 30, 2019.

### **Basis for Opinion**

We conducted our audit in accordance with the standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit of evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### **Management Responsibilities of 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 interim financial statements. 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 Indian Accounting Standard 34 "Interim Financial Reporting" ("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 responsible 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 may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results present the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

by the hand of  
  
Aditya Kumar  
Partner

Membership No.: 506955

UDIN: 19506955AAAAJV 7800

Place: Ludhiana

Dated: November 14, 2019