

# Walker Chandiook & Co LLP

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**Walker Chandiook & Co LLP**

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## **Independent Auditor's Review Report on Consolidated 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 unaudited consolidated 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 30 September 2019 and the consolidated year to date results for the period 1 April 2019 to 30 September 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'), 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.

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.



**ZIM Laboratories Limited**

**Independent Auditor's Review Report on Consolidated 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)**

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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, the SEBI Circulars 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 aggregating INR 798.24 Lakhs as at 30 September 2019, 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 regularising these defaults by filing necessary application with the appropriate authority for condonation of such delays. The management is of the view that the fine/penalties, if any that may be levied, are currently unascertainable and accordingly, the accompanying Statement do not include any consequential adjustments with respect to such delay/default. Our conclusion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

**Adi P. Sethna**

Partner

Membership No. 108840

**UDIN No:19108840AAAAFO1691**

Place : Nagpur

Date : 11 November 2019

## **ZIM Laboratories Limited**

**Independent Auditor's Review Report on Consolidated 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)**

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### **Annexure 1**

#### **List of entities included in the Statement**

##### **Subsidiary companies**

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





**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 UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30 SEPTEMBER 2019**

Sr. No.	Particulars	(Rs. in lakhs, unless otherwise stated)					
		Quarter ended			Half year ended		Year ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30-09-2019 (Unaudited)	30-09-2018 (Unaudited)	31.03.2019 (Audited)
1	<b>Income</b>						
	a) Revenue from operations	6,779.07	6,740.74	7,167.45	13,519.81	14,272.86	33,537.03
	b) Other income	42.24	105.15	19.37	147.39	53.33	204.94
	<b>Total income</b>	<b>6,821.31</b>	<b>6,845.89</b>	<b>7,186.82</b>	<b>13,667.20</b>	<b>14,326.19</b>	<b>33,741.97</b>
2	<b>Expenses</b>						
	a) Cost of materials consumed	3,571.83	3,434.39	2,962.86	7,006.22	6,077.54	14,303.47
	b) Purchases of stock-in-trade	57.33	659.15	370.07	716.48	805.91	1,659.16
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(168.04)	(368.57)	(383.97)	(536.61)	(394.67)	(12.00)
	d) Employee benefits expenses	1,268.66	1,280.44	1,185.14	2,549.10	2,348.08	4,826.01
	e) Finance costs	317.32	324.29	296.64	641.61	559.61	1,059.08
	f) Depreciation and amortisation expenses	345.37	335.59	284.59	680.96	543.31	1,141.83
	g) Other expenses	1,590.46	1,424.37	2,000.37	3,014.83	3,519.69	8,557.38
	<b>Total expenses</b>	<b>6,982.93</b>	<b>7,089.66</b>	<b>6,715.70</b>	<b>14,072.59</b>	<b>13,459.47</b>	<b>31,534.93</b>
3	<b>Profit/(Loss) before tax (1-2)</b>	<b>(161.62)</b>	<b>(243.77)</b>	<b>471.12</b>	<b>(405.39)</b>	<b>866.72</b>	<b>2,207.04</b>
4	<b>Tax expense/ (credit)</b>						
	Current Tax	-	-	94.06	-	154.42	490.37
	Deferred Tax (refer note 6)	(100.74)	(252.42)	41.66	(353.16)	(2.54)	182.48
	<b>Total tax expense / (credit)</b>	<b>(100.74)</b>	<b>(252.42)</b>	<b>135.72</b>	<b>(353.16)</b>	<b>151.88</b>	<b>672.85</b>
5	<b>Profit/(Loss) after tax (3-4)</b>	<b>(60.88)</b>	<b>8.65</b>	<b>335.40</b>	<b>(52.23)</b>	<b>714.84</b>	<b>1,534.19</b>
6	<b>Other comprehensive income - profit/(loss)</b>						
	a) Items that will not be reclassified to profit or loss	(16.16)	(16.16)	(4.73)	(32.32)	(9.46)	(64.63)
	b) Tax (expense)/credit on the items that will not be reclassified to profit or loss	4.71	4.71	1.65	9.42	3.30	22.58
	c) Items that will be reclassified to profit or loss	12.78	(5.38)	26.84	7.40	27.30	(7.07)
	d) Tax (expense)/credit on the items that will be reclassified to profit or loss	-	-	-	-	-	-
	<b>Other comprehensive income (net of tax) - profit/(loss)</b>	<b>1.33</b>	<b>(16.83)</b>	<b>23.76</b>	<b>(15.50)</b>	<b>21.14</b>	<b>(49.12)</b>
7	<b>Total comprehensive income (5+6)</b>	<b>(59.55)</b>	<b>(8.18)</b>	<b>359.16</b>	<b>(67.73)</b>	<b>735.98</b>	<b>1,485.07</b>
8	Paid-up equity share capital (face value of Rs. 10/- each)	1,618.07	1,618.07	805.97	1,618.07	805.97	1,611.95
9	Other equity (reveluation reserve : Rs. Nil)						13,499.89
10	Earnings per share (face value of Rs. 10/- each) (not annualised) (Rs. )						
	Basic	(0.37)	0.05	2.08	(0.32)	4.43	9.52
	Diluted	(0.37)	0.05	2.07	(0.32)	4.40	9.45





# B. Unaudited Consolidated Balance Sheet

	As at 30 September 2019 Rs. lakhs Unaudited	As at 31 March 2019 Rs. lakhs Unaudited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	10,025.89	9,943.71
Capital work-in-progress	1,113.54	775.50
Intangible assets	591.88	657.10
Intangible assets under development	673.43	556.19
Goodwill on consolidation	16.94	-
Financial Assets		
Investment	5.15	5.15
Other financial assets	322.17	352.73
Deferred tax assets (net)	571.67	207.60
Income tax (current-tax) assets (net)	279.83	240.90
Other non-current assets	723.42	697.02
	<b>14,323.92</b>	<b>13,435.90</b>
<b>Current assets</b>		
Inventories	6,360.79	5,505.27
Financial Assets		
Trade receivables	7,425.17	9,309.70
Cash and cash equivalents	95.90	49.91
Bank balances other than cash and cash equivalents	239.68	244.40
Loans	20.82	24.77
Other financial assets	345.98	120.96
Other current assets	5,188.21	4,154.12
	<b>19,676.55</b>	<b>19,409.13</b>
<b>TOTAL ASSETS</b>	<b>34,000.47</b>	<b>32,845.03</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,618.07	1,611.95
Other equity	13,377.42	13,499.89
	<b>14,995.49</b>	<b>15,111.84</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
Borrowings	3,329.84	2,216.01
Other financial liabilities	39.60	-
	<b>3,369.44</b>	<b>2,216.01</b>
<b>Current liabilities</b>		
Financial Liabilities		
Borrowings	4,434.26	4,014.67
Trade payables	7,377.37	7,195.25
Other financial liabilities	2,393.25	2,377.79
Other current liabilities	1,174.21	1,487.17
Current Tax Liabilities (net)	184.14	374.99
Provisions	72.31	67.31
	<b>15,635.54</b>	<b>15,517.18</b>
<b>TOTAL LIABILITIES</b>	<b>19,004.98</b>	<b>17,733.19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,000.47</b>	<b>32,845.03</b>



**C. Unaudited Consolidated Cash Flow Statement**

	Half year ended 30 September 2019	Half year ended 30 September 2018
	Rs. lakhs	Rs. lakhs
	Unaudited	Unaudited
<b>Cash flow from operating activities</b>		
Profit before tax	(405.39)	866.72
Depreciation and amortisation expense	680.96	543.31
Government Incentive	(6.75)	(3.58)
Loss on sale of property, plant and equipment (net)	1.66	20.68
Unrealized Foreign Exchange (Gain)/Loss	(14.64)	(84.72)
Provision for employee benefits	(32.32)	(9.46)
Dividend income on investments	(0.60)	(0.60)
Interest income	(9.89)	(8.08)
Employee compensation cost (ESOP costs)	(51.11)	5.48
Finance costs	641.61	559.61
<b>Operating profit before working capital changes</b>	<b>803.53</b>	<b>1,889.36</b>
Movement in working capital :		
Increase in trade and other payables	67.85	856.51
Increase in provisions	5.00	20.00
(Increase) in inventories	(855.52)	(902.58)
(Increase)/decrease in trade and other receivables	723.48	(764.44)
Net Cash generated from operations	<b>744.34</b>	<b>1,098.85</b>
Direct taxes paid (net of refunds)	(229.78)	(48.29)
<b>Net cash from operating activities (A)</b>	<b>514.56</b>	<b>1,050.56</b>
<b>Cash flow from investing activities</b>		
Purchases of property, plant and equipment and intangibles (refer note i)	(1,076.80)	(1,069.62)
Sale proceeds of property, plant and equipment	3.60	5.00
Payment for acquisition of business, net of cash acquired	(5.00)	-
Investments in bank deposits (having original maturity of more than three months)	(101.57)	(126.11)
Maturity of bank deposits (having original maturity of more than three months)	82.98	104.68
Restricted bank balances	(30.87)	-
Interest received	6.01	4.60
Dividend received	0.60	0.60
<b>Net cash (used in) investing activities (B)</b>	<b>(1,121.05)</b>	<b>(1,080.85)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity share	6.12	-
Proceeds from long term borrowings	3,500.00	1,215.82
(Repayment) of long term borrowings	(2,485.64)	(587.91)
(Repayment)/proceeds of short term borrowings	410.20	(129.85)
(Repayment) of lease obligations	(29.61)	-
Finance costs paid	(756.33)	(305.49)
Changes in unclaimed dividend bank balances	0.02	0.56
Dividends paid on equity shares (including unclaimed)	(0.02)	(0.56)
Tax on equity dividend paid	-	(16.57)
<b>Net cash (used in) financing activities (C)</b>	<b>644.74</b>	<b>176.00</b>
<b>Change in currency fluctuation reserve arising on consolidation (D)</b>	<b>7.40</b>	<b>27.30</b>
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>45.65</b>	<b>173.01</b>
Cash and cash equivalents taken over from acquired company	0.34	-
Opening cash and cash equivalents	49.91	146.88
<b>Closing cash and cash equivalents</b>	<b>95.90</b>	<b>319.89</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.14	0.99
Balances with banks in:		
- Current accounts	94.76	318.90
<b>Total Cash and cash equivalents</b>	<b>95.90</b>	<b>319.89</b>

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 11 November 2019. There are no qualifications in the limited review report issued for the quarter and half year ended 30 September 2019.

2) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended, prescribed under Section 133 of the Companies Act, 2013.

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

4) During the quarter ended 30 June 2019, the Company has acquired entire shareholding in 'Zim Health Technologies Limited' and during the quarter ended 30 September 2019, the Company has incorporated wholly owned subsidiary 'SIA ZIM Laboratories Limited' in Latvia. Accordingly, the current period consolidated financial results include financial results of the Company, Zim Laboratories FZE, Zim Health Technologies Limited and SIA ZIM Laboratories Limited.

5) 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 periods, 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 periods are not comparable.

The Impact of adopting Ind AS-116 on the financial results for the quarter/ half year ended September 30, 2019 is as follows:

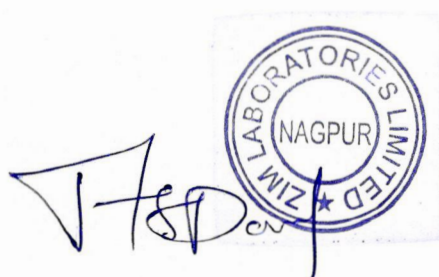
Particulars	(Rs. in lakhs)					
	Quarter ended 30.09.2019 (Erstwhile basis)	Quarter ended 30.09.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit	Half year ended 30.09.2019 (Erstwhile basis)	Half year ended 30.09.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit
Other expenses	1,609.63	1,590.46	19.17	3,053.17	3,014.83	38.34
Finance costs	313.32	317.32	(4.00)	632.87	641.61	(8.74)
Depreciation and amortisation	325.54	345.37	(19.83)	642.83	680.96	(38.13)
Loss Before tax	(156.96)	(161.62)	(4.66)	(396.86)	(405.39)	(8.53)

6) Deferred tax credit for the quarter and six month ended 30 September 2019, includes credit due to change 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.

7) The outstanding balances as at 30 September 2019 include trade receivables aggregating Rs. 798.24 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 regularising defaults by filing necessary applications with the appropriate authority for condonation of delays. Pending conclusion of the aforesaid matters, the amount of fine/penalty, if any, that may be levied, is currently unascertainable and accordingly, the accompanying consolidated financial results do not include any consequential adjustments that may arise due to such delay/default.

Place: Nagpur  
Date: 11 November 2019

  
Anwar S. Daud  
Managing Director





**Walker Chandio & Co LLP**

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**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 30 September 2019, and the year to date results for the period 01 April 2019 to 30 September 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'), SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016 and CIR/IMD/DF1/69/2016 dated 10 August 2016 (hereinafter referred to as 'the SEBI Circulars'), 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)**

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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, the SEBI Circulars, 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 INR 798.24 Lakhs as at 30 September 2019, 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 regularising these defaults by filing necessary application with the appropriate authority for condonation of such delays. The management is of the view that the fine/penalties, if any that may be levied, are currently unascertainable and accordingly, the accompanying Statement do not include any consequential adjustments with respect to such delay/default. Our conclusion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Adi P. Sethna**

Partner

Membership No. 108840

**UDIN No:19108840AAAAFN5765**

**Place:** Nagpur

**Date:** 11 November 2019



**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 UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30 SEPTEMBER 2019**

(Rs. in lakhs, unless otherwise stated)

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
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income</b>						
	a) Revenue from operations	6,733.69	6,685.59	7,113.86	13,419.28	14,104.96	33,172.14
	b) Other income	43.77	112.01	19.37	155.78	53.33	204.94
	<b>Total income</b>	<b>6,777.46</b>	<b>6,797.60</b>	<b>7,133.23</b>	<b>13,575.06</b>	<b>14,158.29</b>	<b>33,377.08</b>
2	<b>Expenses</b>						
	a) Cost of materials consumed	3,571.83	3,434.39	2,962.86	7,006.22	6,077.54	14,303.47
	b) Purchases of stock-in-trade	57.33	659.15	370.07	716.48	805.91	1,659.16
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(168.04)	(368.57)	(383.97)	(536.61)	(394.67)	(12.00)
	d) Employee benefits expenses	1,248.48	1,270.33	1,183.00	2,518.81	2,345.94	4,814.25
	e) Finance costs	317.32	324.29	296.64	641.61	559.61	1,059.08
	f) Depreciation and amortisation expenses	316.37	308.22	284.59	624.59	543.31	1,114.28
	g) Other expenses	1,583.52	1,419.54	1,979.58	3,003.06	3,495.39	8,164.99
	<b>Total expenses</b>	<b>6,926.81</b>	<b>7,047.35</b>	<b>6,692.77</b>	<b>13,974.16</b>	<b>13,433.03</b>	<b>31,103.23</b>
3	<b>Profit/ (Loss) before tax (1-2)</b>	<b>(149.35)</b>	<b>(249.75)</b>	<b>440.46</b>	<b>(399.10)</b>	<b>725.26</b>	<b>2,273.85</b>
4	<b>Tax expense/ (credit)</b>						
	Current Tax	-	-	94.06	-	154.42	490.37
	Deferred Tax (refer Note 5)	(100.74)	(252.41)	41.66	(353.15)	(2.54)	182.48
	<b>Total tax expense / (credit)</b>	<b>(100.74)</b>	<b>(252.41)</b>	<b>135.72</b>	<b>(353.15)</b>	<b>151.88</b>	<b>672.85</b>
5	<b>Profit/(Loss) after tax (3-4)</b>	<b>(48.61)</b>	<b>2.66</b>	<b>304.74</b>	<b>(45.95)</b>	<b>573.38</b>	<b>1,601.00</b>
6	<b>Other comprehensive income - profit/(loss)</b>						
	a) Items that will not be reclassified to profit or loss	(16.16)	(16.16)	(4.73)	(32.32)	(9.46)	(64.63)
	b) Tax (expense)/credit on the items that will not be reclassified to profit or loss	4.71	4.71	1.65	9.42	3.30	22.58
	<b>Other comprehensive income (net of tax) - profit/(loss)</b>	<b>(11.45)</b>	<b>(11.45)</b>	<b>(3.08)</b>	<b>(22.90)</b>	<b>(6.16)</b>	<b>(42.05)</b>
7	<b>Total comprehensive income (5+6)</b>	<b>(60.06)</b>	<b>(8.79)</b>	<b>301.66</b>	<b>(68.85)</b>	<b>567.22</b>	<b>1,558.95</b>
8	Paid-up equity share capital (face value of Rs. 10/- each)	1,618.07	1,618.07	805.97	1,618.07	805.97	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	(0.30)	0.02	1.89	(0.28)	3.56	9.93
	Diluted	(0.30)	0.02	1.88	(0.28)	3.53	9.86





**B. Unaudited Standalone Balance Sheet**

	As at 30 September 2019 Rs. lakhs Unaudited	As at 31 March 2019 Rs. lakhs Unaudited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	10,025.89	9,943.71
Capital work-in-progress	1,113.54	775.50
Intangible assets	112.77	133.69
Intangible assets under development	673.43	556.19
Investment in subsidiaries	660.22	448.35
Financial Assets		
Investment	5.15	5.15
Other financial assets	321.92	352.73
Deferred tax assets (net)	571.67	207.60
Income tax (current-tax) assets (net)	279.83	240.90
Other non-current assets	723.42	697.02
	<b>14,487.84</b>	<b>13,360.84</b>
<b>Current assets</b>		
Inventories	6,360.79	5,505.27
Financial Assets		
Trade receivables	7,069.46	9,039.57
Cash and cash equivalents	82.27	36.11
Bank balances other than cash and cash equivalents	208.81	244.40
Loans	20.82	24.77
Other financial assets	345.98	120.96
Other current assets	5,183.68	4,153.78
	<b>19,271.81</b>	<b>19,124.86</b>
<b>TOTAL ASSETS</b>	<b>33,759.65</b>	<b>32,485.70</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,618.07	1,611.95
Other equity	13,386.40	13,509.99
	<b>15,004.47</b>	<b>15,121.94</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
Borrowings	3,329.84	2,216.01
Other financial liabilities	39.60	-
	<b>3,369.44</b>	<b>2,216.01</b>
<b>Current liabilities</b>		
Financial Liabilities		
Borrowings	4,434.26	4,014.67
Trade payables		
-total outstanding due of micro enterprises and small enterprises	-	-
-total outstanding due of creditors other than micro enterprises and small enterprises	7,366.66	7,195.25
Other financial liabilities	2,177.70	2,033.68
Other current liabilities	1,150.67	1,461.85
Current Tax Liabilities (net)	184.14	374.99
Provisions	72.31	67.31
	<b>15,385.74</b>	<b>15,147.75</b>
<b>TOTAL LIABILITIES</b>	<b>18,755.18</b>	<b>17,363.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33,759.65</b>	<b>32,485.70</b>



**C. Unaudited Standalone Cash Flow Statement**

	Half year ended 30 September 2019	Half year ended 30 September 2018
	Rs. lakhs Unaudited	Rs. lakhs Unaudited
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>(399.10)</b>	<b>725.26</b>
Depreciation and amortisation expense	624.59	543.31
Government Incentive	(6.75)	(3.58)
Loss on sale of property, plant and equipment (net)	1.66	20.68
Unrealized Foreign Exchange (Gain)/Loss	(14.64)	(84.72)
Provision for employee benefits	(32.32)	(9.46)
Dividend income on investments	(0.60)	(0.60)
Interest income	(9.89)	(8.08)
Employee compensation cost (ESOP costs)	(51.11)	5.48
Finance costs	641.61	559.61
<b>Operating profit before working capital changes</b>	<b>753.45</b>	<b>1,747.90</b>
<b>Movement in working capital :</b>		
Increase in trade and other payables	65.65	853.26
Increase in provisions	5.00	20.00
(Increase) in inventories	(855.52)	(902.58)
(Increase)/decrease in trade and other receivables	813.29	(714.82)
<b>Net Cash generated from operations</b>	<b>781.87</b>	<b>1,003.76</b>
Direct taxes paid (net of refunds)	(229.78)	(48.29)
<b>Net cash from operating activities (A)</b>	<b>552.09</b>	<b>955.47</b>
<b>Cash flow from investing activities</b>		
Purchases of property, plant and equipment and intangibles (refer note i)	(930.42)	(1,069.62)
Sale proceeds of property, plant and equipment	3.60	5.00
Investment in subsidiaries	(211.87)	-
Investments in bank deposits (having original maturity of more than three months)	(101.57)	(126.11)
Maturity of bank deposits (having original maturity of more than three months)	82.98	104.68
Interest received	6.01	4.60
Dividend received	0.60	0.60
<b>Net cash (used in) investing activities (B)</b>	<b>(1,150.67)</b>	<b>(1,080.85)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity share	6.12	-
Proceeds from long term borrowings	3,500.00	1,215.82
(Repayment) of long term borrowings	(2,485.64)	(587.91)
(Repayment)/proceeds of short term borrowings	410.20	(129.85)
(Repayment) of lease obligations	(29.61)	-
Finance costs paid	(756.33)	(305.49)
Changes in unclaimed dividend bank balances	0.02	0.56
Dividends paid on equity shares (including unclaimed)	(0.02)	(0.56)
Tax on equity dividend paid	-	(16.57)
<b>Net cash (used in) financing activities (C)</b>	<b>644.74</b>	<b>176.00</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>46.16</b>	<b>50.62</b>
<b>Opening cash and cash equivalents</b>	<b>36.11</b>	<b>146.40</b>
<b>Closing cash and cash equivalents</b>	<b>82.27</b>	<b>197.02</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.13	0.99
Balances with banks in:		
- Current accounts	81.14	196.03
<b>Total Cash and cash equivalents</b>	<b>82.27</b>	<b>197.02</b>

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 11 November 2019. There are no qualifications in the limited review report issued for the quarter and half year ended 30 September 2019.

2) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended, prescribed under Section 133 of the Companies Act, 2013.

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 periods, 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 periods are not comparable.

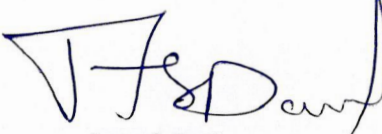
The Impact of adopting Ind AS-116 on the financial results for the quarter/ half year ended September 30, 2019 is as follows:

Particulars	(Rs. in lakhs)					
	Quarter ended 30.09.2019 (Erstwhile basis)	Quarter ended 30.09.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit	Half year ended 30.09.2019 (Erstwhile basis)	Half year ended 30.09.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit
Other expenses	1,602.69	1,583.52	19.17	3,041.40	3,003.06	38.34
Finance costs	313.32	317.32	(4.00)	632.87	641.61	(8.74)
Depreciation and amortisation	296.54	316.37	(19.83)	586.46	624.59	(38.13)
Loss Before tax	(144.69)	(149.35)	(4.66)	(390.57)	(399.10)	(8.53)

5) Deferred tax credit for the quarter and six month ended 30 September 2019, includes credit due to change 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.

6) The outstanding balances as at 30 September 2019 include trade receivables aggregating Rs. 798.24 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 regularising defaults by filing necessary applications with the appropriate authority for condonation of delays. Pending conclusion of the aforesaid matters, the amount of fine/penalty, if any, that may be levied, is currently unascertainable and accordingly, the accompanying standalone financial results do not include any consequential adjustments that may arise due to such delay/default.

Place: Nagpur  
Date: 11 November 2019



Anwar S. Daud  
Managing Director

