

IP RINGS LIMITED

Regd Office: D-11/12, Industrial Estate, Maraimalai Nagar - 603 209  
 CIN : L28920TN1991PLC020232 - Telephone No: 044- 274 52816 - Regd Mail Id: iprmmn@iprings.com  
 STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

Sno	Particulars	Quarter Ended			Half year ended		(Rs. in Lakhs)
		30.09.2020			30.09.2019		
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	
		Unaudited			Unaudited		Audited
1	Income						
2	1 Revenue from Operations	4,581.56	1,002.41	5,158.28	5,583.97	10,613.16	19,793.21
	2 Other Income	48.33	11.92	11.24	60.25	28.16	65.67
	<b>Total Income (1+2)</b>	<b>4,629.89</b>	<b>1,014.33</b>	<b>5,169.52</b>	<b>5,644.22</b>	<b>10,641.32</b>	<b>19,858.88</b>
3	Expenses						
	a. Cost of Materials Consumed	1,672.78	163.64	1,412.92	1,836.42	3,078.08	5,721.27
	b. Changes in inventories of finished goods and work in progress	(226.43)	157.70	457.35	(68.73)	568.68	585.19
	c. Employee Benefits Expense	623.08	419.95	746.10	1,043.03	1,523.91	2,856.87
	d. Finance Cost	136.00	206.24	169.61	342.24	371.72	943.55
	e. Depreciation and Amortisation Expense	309.03	210.71	288.16	519.74	552.47	1,105.45
	f. Subcontracting Expenses	620.87	112.39	637.38	733.26	1,298.92	2,568.95
	g. Stores Consumed	479.37	84.02	581.57	563.39	1,186.11	2,299.42
	h. Other expenses	756.85	371.91	865.94	1,128.76	1,779.86	3,604.27
	<b>Total expenses</b>	<b>4,371.55</b>	<b>1,726.56</b>	<b>5,159.03</b>	<b>6,098.11</b>	<b>10,359.75</b>	<b>19,684.97</b>
4	<b>Profit/ (Loss) before Exceptional items and tax (2-3)</b>	<b>258.34</b>	<b>(712.23)</b>	<b>10.49</b>	<b>(453.89)</b>	<b>281.57</b>	<b>173.91</b>
5	Exceptional Items	-	-	-	-	-	-
6	<b>Profit/ (Loss) before tax (4-5)</b>	<b>258.34</b>	<b>(712.23)</b>	<b>10.49</b>	<b>(453.89)</b>	<b>281.57</b>	<b>173.91</b>
7	Tax Charge/ (Credit)	-	-	-	-	-	-
	a) Current tax - Current Year	-	-	(6.36)	-	53.32	51.71
	- Previous Year	-	-	-	-	-	37.10
	b) Mat Credit Entitlement	-	-	8.36	-	(46.48)	(46.48)
	c) Deferred tax	72.66	(198.14)	(7.48)	(125.48)	62.23	21.47
	<b>Total Tax expense (a+b+c)</b>	<b>72.66</b>	<b>(198.14)</b>	<b>(5.48)</b>	<b>(125.48)</b>	<b>66.23</b>	<b>63.80</b>
8	<b>Profit/ (Loss) for the period/year (6-7)</b>	<b>185.68</b>	<b>(514.09)</b>	<b>15.97</b>	<b>(328.41)</b>	<b>215.34</b>	<b>110.11</b>
9	Other comprehensive income/ (loss)						
	A (i) Items that will not be reclassified to profit or loss	(16.27)	(4.66)	(7.75)	(20.93)	(15.13)	(19.84)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	4.50	1.29	2.00	5.79	4.00	5.23
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other comprehensive income/ (loss) (A)+(i)+B+(ii)	(11.77)	(3.37)	(5.75)	(15.14)	(11.13)	(14.61)
10	<b>Total comprehensive income/ (loss) for the period/ year (8+9)</b>	<b>173.91</b>	<b>(517.46)</b>	<b>10.22</b>	<b>(343.55)</b>	<b>204.21</b>	<b>95.50</b>
11	Earnings Per Share (EPS) of Rs 10/- each (Not annualised)						
	a) Basic	1.46	(4.06)	0.13	(2.59)	1.70	0.87
	b) Diluted	1.46	(4.06)	0.13	(2.59)	1.70	0.87
12	Paid-up Equity Share Capital (Face value of Rs 10/- Per Share)	1,267.59	1,267.59	1,267.59	1,267.59	1,267.59	1,267.59
13	Other Equity as per balance sheet						8,837.49

STATEMENT OF ASSETS AND LIABILITIES  
Unaudited Balance Sheet as at September 30, 2020

Rs in Lakhs

Particulars	As at September 30, 2020	As at March 31, 2020
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	11,654.73	11,846.50
Capital work-in-progress	1,601.80	1,938.53
Right-of-use assets	22.88	30.37
Intangible assets	138.37	28.93
Financial assets		
- Investments	1.00	1.10
-Others	6.37	6.30
Deferred tax assets (Net)	36.02	-
Other non-current assets	557.60	445.12
<b>Current assets</b>		
Inventories	3,774.07	3,797.15
Financial assets		
(i) Trade receivables	4,642.77	3,805.37
(ii) Cash and cash equivalents	613.63	1,189.10
(iii) Bank balances other than (ii) above	1.07	1.07
(iv) Other financial assets	205.99	211.73
Other current assets	280.54	419.05
<b>TOTAL ASSETS</b>	<b>23,536.84</b>	<b>23,720.32</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share capital	1,267.59	1,267.59
Other equity	8,493.94	8,837.49
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	3,600.44	2,959.07
(ii) Lease liabilities	9.13	17.08
Provisions	128.57	106.43
Deferred tax liabilities (Net)	-	95.25
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings	4,382.96	3,963.04
(ii) Trade payables		
a) Total outstanding dues of Micro and Small Enterprises	55.53	47.40
b) Total outstanding dues other than Micro and Small Enterprises	2,801.23	2,844.71
(iii) Other financial liabilities	2,683.00	3,462.95
Other current liabilities	104.74	80.49
Provisions	9.71	38.82
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,536.84</b>	<b>23,720.32</b>

## Statement of Cash Flow

Rs. In Lakhs

Particulars	For the Half year ended Sep 30, 2020	For the Half year ended Sep 30, 2019	For the year ended March 31, 2020
	Unaudited	Unaudited	Audited
<b>Cash Flows from Operating Activities</b>			
Profit/ (Loss) before tax	(453.89)	281.57	173.91
Adjustments for :			
Provision for Doubtful debts made	28.98	34.68	6.62
Bad debts written off	-	-	49.10
Provision for Inventory	-	-	122.38
Unrealised exchange fluctuation	(14.10)	59.81	273.14
Depreciation	519.74	552.47	1,105.45
Interest Expense	342.24	371.72	844.05
Interest Income	(23.96)	(23.91)	(54.38)
Loss/(Profit) on sale of PPE	(1.14)	-	5.19
<b>Operating profit/(Loss) before working capital changes</b>	<b>397.87</b>	<b>1,276.34</b>	<b>2,525.46</b>
Adjustments for changes in :			
(Increase) / Decrease in Trade receivables	(878.94)	505.89	1,137.91
(Increase) / Decrease in Inventories	23.08	291.22	127.18
(Increase) / Decrease in Other Financial Assets	5.67	(54.01)	(86.61)
(Increase) / Decrease in Other Current Assets	134.99	69.90	(48.02)
Increase / (Decrease) in Non Current provisions	22.14	10.54	24.62
Increase / (Decrease) in Lease liabilities	(7.95)	38.15	31.57
Increase / (Decrease) in Trade Payables	(35.35)	(482.11)	(598.98)
Increase / (Decrease) in Other Financial Liabilities	463.57	58.62	189.47
Increase / (Decrease) in Other Current Liabilities	24.25	0.22	(15.29)
Increase / (Decrease) in Current Provisions	(29.11)	(0.06)	9.12
<b>Cash flow from operations</b>	<b>120.22</b>	<b>1,714.70</b>	<b>3,296.43</b>
Income Tax paid	-	(30.00)	(47.91)
<b>Net Cash Flow from Operating Activities [A]</b>	<b>120.22</b>	<b>1,684.70</b>	<b>3,248.52</b>
<b>Cash Flows from Investing Activities</b>			
Payments for acquisition of assets	(95.35)	(521.99)	(2,972.85)
Movement in ROU	-	(44.93)	(44.93)
Receipts from disposal of fixed Assets	3.30	-	15.51
(Increase) / Decrease in Other Non Current Assets			
- Capital advances	(108.96)	59.04	285.56
Increase / (Decrease) in Capital Creditors	(1,258.38)	23.91	1,165.89
Interest received	23.96	-	54.38
<b>Net Cash Flow (used in) Investing Activities [B]</b>	<b>(1,435.43)</b>	<b>(483.97)</b>	<b>(1,496.44)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Long term borrowings	1,464.72	973.54	1,008.85
Repayment of long term borrowings	(802.66)	(578.44)	(1,303.08)
Short term borrowings - Net	419.92	(79.70)	166.31
Interest paid	(342.24)	(371.72)	(844.05)
Movement in other bank balances	-	(143.76)	-
Dividends including tax thereon paid	-	(152.81)	(151.74)
Dividend remitted to IEPF	-	-	(1.31)
<b>Net Cash Flow from Financing Activities [C]</b>	<b>739.74</b>	<b>(352.89)</b>	<b>(1,125.02)</b>
<b>NET CASH INFLOW [A+B+C]</b>	<b>(575.47)</b>	<b>847.84</b>	<b>627.06</b>
Opening Cash and Cash Equivalents [D]	1,189.10	562.04	562.04
Closing Cash and Cash Equivalents [E]	613.63	1,409.88	1,189.10
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [E-D]</b>	<b>(575.47)</b>	<b>847.84</b>	<b>627.06</b>

## Notes

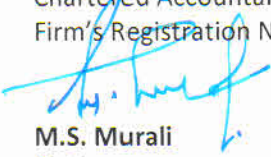
- The above unaudited results were reviewed by the Audit Committee and then approved by the Board of Directors at their Meetings held on November 9, 2020. The information for the year ended March 31, 2020 presented above is extracted from the audited financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013.
- The Board of Directors of the Company, being the Chief Operating Decision Maker ('CODM'), based on the internal business reporting system, identified that the Company has only one segment viz. manufacture and sale of Auto Component – Piston Rings, Differential Gears, Pole Wheel and other transmission Components. Accordingly there are no other reportable segments in terms of Ind AS 108 'Operating Segments'.
- The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In such a situation, the Company has taken due care in concluding on accounting judgements and estimates; viz., in relation to recoverability of receivables, assessment of impairment of assets and inventory for the quarter and half year ended September 30, 2020, based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company continues to monitor the economic effects of the pandemic on the operations and take appropriate actions as and when required.
- The Company's operations and financial results for the half year have been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The operations gradually resumed with requisite precautions during the first quarter with limited availability of workforce and disrupted supply chain. The results for the six months ended are therefore not comparable with those for the previous quarter(s).
- The Code on Social security, 2020 ('the Code') has been enacted recently which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognized post notification of the relevant provisions.
- Deferred tax reflected in the statement of assets and liabilities includes eligible MAT credit entitlement thereof.
- The previous period figures have been regrouped/reclassified wherever necessary to conform to current period classification.

**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020**

**TO THE BOARD OF DIRECTORS OF IP RINGS LIMITED**

1. We have reviewed the Unaudited Financial Results of **IP Rings Limited** (the "Company") for the quarter and half year ended September 30, 2020 (the "financial results") which are included in the accompanying "Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2020" (the "Statement"). The Statement has been prepared by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. ("the Listing Regulations").
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance 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 read with relevant rules issued thereunder 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in all material aspects in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, as amended from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 3 to the Statement which explains the uncertainties and the management's assessment of the financial impact due to lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.

**M.S. Krishnaswami & Rajan**  
Chartered Accountants  
Firm's Registration No. 01554S

  
**M.S. Murali**  
Partner  
Membership No. 26453  
UDIN:20026453AAAAHG6536  
November 9, 2020  
Chennai



