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IOL shifts focus from chemicals to pharma

Our Bureau NEW DELHI

IOL Chemicals & Pharmaceuticals is transforming its business mix from being predominantly a chemicals producer to a pharma company. The company is looking to set up operations in Europe for bulk drugs in addition to its existing facility in India and also mulling an entry into higher value segments of the pharma industry in the future.

For the year ended March, the public company had generated revenues of Rs 201.63 crore of which industrial chemicals contributed 85% and the rest was bulk drugs. The bulk drugs business, which basically involves anti-inflammatory drug ibuprofen, has become a significant revenue contributor as its new capacity has come on stream.

IOL Chemicals & Pharmaceuticals, chairman and managing director, Varinder Gupta, said, "This year bulk drugs will become 40% of the total business and by the next financial year ending March 2009, we would generate more than half of our business from pharma. It is a natural progression from our chemical business."

He added, "As our pharma business grows, an increasing part of our chemicals would be for captive consumption." The company is also putting Rs 210 crore for capacity expansion and other projects. This is being funded through debt component of about Rs 140 crore. The company had recently brought in new institutional investors through a private placement.

