



# IOL CHEMICALS AND PHARMACEUTICALS LIMITED

## AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

in ₹ crore

Sr. No.	Particulars	Quarter ended			Year ended
		30.06.2021 (Audited)	31.03.2021 (Audited)	30.06.2020 (Audited)	31.03.2021 (Audited)
	<b>Income:</b>				
I	Revenue from operations	518.51	460.38	460.11	1,966.98
II	Other Income	5.72	6.21	5.80	24.30
III	<b>Total income (I+II)</b>	<b>524.23</b>	<b>466.59</b>	<b>465.91</b>	<b>1,991.28</b>
	<b>Expenses:</b>				
IV	Cost of materials consumed	389.08	267.57	251.79	1,119.95
	Purchase of stock-in-trade	0.35	-	-	-
	Changes in inventories of finished goods and work-in-progress	(54.36)	10.12	(3.55)	(17.11)
	Employee benefits expense	33.80	30.42	24.28	115.55
	Finance costs	1.77	1.44	1.82	5.83
	Depreciation and amortization expense	10.32	9.97	9.36	38.92
	Other expenses	39.49	41.10	35.47	156.75
	<b>Total Expenses (IV)</b>	<b>420.45</b>	<b>360.62</b>	<b>319.17</b>	<b>1,419.89</b>
V	Profit before exceptional items and tax (III-IV)	103.78	105.97	146.74	571.39
VI	Exceptional items	13.93	-	-	-
VII	Profit before tax (V-VI)	89.85	105.97	146.74	571.39
VIII	<b>Tax Expense:</b>				
	Current tax	23.47	27.28	37.43	145.18
	Current tax adjustment related to earlier year	-	0.37	-	0.37
	Deferred tax	(0.62)	3.07	(18.23)	(18.72)
	<b>Total tax expense</b>	<b>22.85</b>	<b>30.72</b>	<b>19.20</b>	<b>126.83</b>
IX	<b>Profit for the period (VII-VIII)</b>	<b>67.00</b>	<b>75.25</b>	<b>127.54</b>	<b>444.56</b>
X	<b>Other Comprehensive Income</b>				
A	Items that will not be reclassified to profit or loss				
(i)	Remeasurement of Defined benefit obligation	(1.31)	(0.14)	0.04	(2.18)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	0.33	0.61	(0.01)	0.55
B	Items that will be reclassified to profit or loss				
(i)	Net movement in effective portion of cash flow hedge reserve	0.67	(0.22)	(0.82)	(0.66)
(ii)	Income tax relating to items that will be reclassified to profit or loss	(0.17)	0.05	0.21	0.15
XI	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>66.52</b>	<b>75.55</b>	<b>126.96</b>	<b>442.42</b>
XII	Paid-up equity share capital (Face value ₹10/- per share)	58.71	58.71	58.71	58.71
XIII	Other equity (Reserves excluding revaluation reserve)				1,201.72
XIV	Earning per equity share of ₹10/- each (for continuing and discontinued operations) (not annualised except for the year ended 31.03.2021)				
	Basic & Diluted ₹	11.41	12.76	22.30	76.21

Head Office : 85, Industrial Area 'A', Ludhiana. 141 003 (Punjab) India CIN - L24116PB1986PLC007030  
 Ph. : +91-161-2225531-35 Fax : +91-161-2226929, 2608784 email : contact@iolcp.com Website : iolcp.com  
 Regd. Office: Village & Post Office Handiaya, Fatehgarh Channa Road, Barnala-148107, Punjab, 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

in ₹ crore

Sr.No.	Particulars	Quarter ended			Year ended
		30.06.2021 (Audited)	31.03.2021 (Audited)	30.06.2020 (Audited)	31.03.2021 (Audited)
1	<b>Segment Revenue</b>				
	(Net sale/income)				
	- Chemical	317.09	248.14	155.78	829.24
	- Pharmaceutical	212.77	219.58	313.05	1,172.23
	- Unallocated	9.50	6.60	3.97	20.02
	<b>Total</b>	<b>539.36</b>	<b>474.32</b>	<b>472.80</b>	<b>2,021.49</b>
	Less : Inter segment revenue	15.13	7.73	6.89	30.21
	<b>Net sales/income from operations</b>	<b>524.23</b>	<b>466.59</b>	<b>465.91</b>	<b>1,991.28</b>
2	<b>Segment Results</b>				
	Profit before tax and interest (from each segment)				
	- Chemical	49.30	36.61	8.36	100.18
	- Pharmaceutical	48.38	65.29	137.93	461.78
	<b>Total</b>	<b>97.68</b>	<b>101.90</b>	<b>146.29</b>	<b>561.96</b>
	Less: Interest	1.77	1.44	1.82	5.83
	Add: Other un-allocable income net off un-allocable expenditure	7.87	5.51	2.27	15.26
	<b>Total Profit before tax &amp; Extraordinary items</b>	<b>103.78</b>	<b>105.97</b>	<b>146.74</b>	<b>571.39</b>
3	<b>Segment Assets</b>				
	- Chemical	560.33	436.54	409.81	436.54
	- Pharmaceutical	783.57	672.68	599.92	672.68
	- Unallocated	491.07	500.87	343.87	500.87
	<b>Total Assets</b>	<b>1,834.97</b>	<b>1,610.09</b>	<b>1,353.60</b>	<b>1,610.09</b>
4	<b>Segment Liabilities</b>				
	- Chemical	306.88	196.08	197.70	196.08
	- Pharmaceutical	105.75	77.20	89.13	77.20
	- Unallocated	95.39	76.38	98.32	76.38
	<b>Total Liabilities</b>	<b>508.02</b>	<b>349.66</b>	<b>385.15</b>	<b>349.66</b>

### NOTES:

- The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors in their respective meetings held on 13<sup>th</sup> August, 2021.
- The financial results of the Company have been audited by the Statutory Auditors and 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 statutory auditors have expressed an unmodified audit opinion on these results.
- The Company has successfully setup a new manufacturing facility ('Unit-10') for manufacturing multiple Pharma (API's) products with a capex of ₹ 28.69 Crore. The installation of new manufacturing facility ('Unit-9') for Gabapentin & Other Pharma (API's) Products is slightly delayed of its schedule due to 2<sup>nd</sup> wave of COVID-19 and expected to complete in 3<sup>rd</sup> quarter of FY 22 without any cost overrun. The capital expenditure for installation of both the new manufacturing facilities has been/ is being met through internal accruals only.
- The exceptional items amounting to ₹ 13.93 crores represent one time cost towards Right of Recompense (RoR) payable to the lenders against sacrifices made by them in FY 2014-15 on account of restructuring done under Joint Lenders Forum (JLF) route.



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- 5 The Company had 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 had recognised provision for taxation and remeasured its deferred tax liabilities basis the rate prescribed in the said Section and the resultant impact was recognised in the statement of Profit and Loss of quarter ended 30 June 2020. Pursuant to the exercise of this option, the company had reversed deferred tax liabilities amounting to ₹ 20.90 Crore due to reduction in corporate tax rate in the statement of Profit and Loss of quarter ended 30 June 2020. Therefore, income tax expense are not comparable to all periods presented in the above results.
- 6 The Code on Social Security, 2020 ('SS Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The SS Code has been published in the Gazette of India. However, the date on which the SS Code will come into effect has not been notified. The Company will assess the impact of the SS Code when it comes into effect and will record any related impact in the period when the SS Code becomes effective.
- 7 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 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, considering the uncertainties associated with the nature and duration of Covid-19 pandemic, the impact assessment is a continuing process and the Company will continue to monitor any material changes to future economic conditions.
- 8 The previous financial period figures have been regrouped/rearranged/restated wherever considered necessary.

By order of the Board  
For IOL Chemicals and Pharmaceuticals Limited

  
Varinder Gupta  
Managing Director  
DIN-00044068

Place: Ludhiana  
Date : 13th August 2021



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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, 2021 ("the Financial Results"), being submitted by the Company pursuant to the requirements 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, 2021.

### 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 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's Responsibilities for the Financial Results

These Financial Results, which is the responsibility of the Company's Management and approved by the Board of Directors, have been compiled from the related audited interim financial statements for the quarter ended June 30, 2021. The Company's Board of Directors is responsible for the preparation and presentation of the financial results and to give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid





- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements 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 ability of the Company 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

by the hand of



Aditya Kumar  
 Partner

Membership No.: 506955

UDIN: 21506955AAAAOX3406

Place: Ludhiana

Dated: August 13, 2021

## Press Release

13<sup>th</sup> August 2021, Ludhiana

IOL Chemicals and Pharmaceuticals Limited a leading manufacturer of pharmaceutical (APIs) and specialty chemicals today posted its financial results for the quarter ending 30<sup>th</sup> June 2021. The Company on QoQ & YoY basis recorded 12% growth in total income, however the EBITDA has been almost flat on QoQ and declined by about 27% on YoY basis on account of stressed demand primarily due to 2<sup>nd</sup> wave of Covid-19 globally.

### June 2021 vis a vis March 2021:

Rs Crore

Particulars	Quarter ended	
	30.06.2021	31.03.2021
Total income	524	467
EBIDTA	116	117
Profit before Tax	90	106
Profit after Tax	67	75
EPS in Rupees	11.41	12.76

### June 2021 vis a vis June 2020:

Rs Crore

Particulars	Quarter ended	
	30.06.2021	30.06.2020
Total income from operations	524	466
EBIDTA	116	158
Net Profit before Tax	90	147
Net Profit after Tax	67	128
EPS in Rupees	11.41	22.30

*Dr Sanjay Chaturvedi, Chief Executive Officer said "During the quarter ended June 2021, the Company's performance has been satisfactory in spite of difficult operating conditions faced by the Company during surged situation of Covid-19 pandemic. The Chemicals segment performed very well during the quarter both in terms of top line and bottom line.*

*He also added, the Company completed the installation of new manufacturing facilities 'Unit -10' to manufacture multiple Pharma (API's) products including Fenofibrate, Lamotrigine and Ursodeoxycholic Acid (UDCA) to cater the growing demand.*

*Talking about future projects, he added that the installation of new manufacturing facilities 'Unit -9' for manufacturing Gabapentin & other pharma (APIs) products is slightly delayed*

*of its schedule due to 2<sup>nd</sup> wave of Covid-19 and expected to complete in 3<sup>rd</sup> quarter of FY22 without any cost overrun.*

### **About IOL Chemicals and Pharmaceuticals Limited (IOLCP)**

Company was established in 1986, listed on National Stock Exchange of India Ltd (Code: IOLCP) and BSE Ltd (Code: 524164) is one of the leading pharmaceutical (APIs) Company and is significant player in the specialty chemicals space with world class facilities. IOLCP has wide presence across major therapeutic categories like, Pain Management, anti-convulsants, anti-diabetes, anti- cholesterol and anti-platelets.

The Company's product portfolio includes APIs; Ibuprofen, Metformin, Fenofibrate, Clopidogrel, Lamotrigine, Pantoprazole and specialty chemicals such as Ethyl Acetate, Iso Butyl Benzene, Mono Chloro Acetic Acid and Acetyl Chloride.

Company is World's largest producer of the Ibuprofen with an installed capacity of 12,000 TPA and having backward integrated manufacturing facility. The Company has DSIR approved R&D which is fully equipped to validate existing processes.

The Central and State Government approved Effluent Treatment Plant (ETP) had been set up with Zero Liquid Discharge (ZLD) system alongwith 17 MW captive Co-Generation plant for self reliance. The Company is ISO 9001:2015, 14001:2015 and BS OHSAS 18001:2007 certified.

IOLCP's overseas customers are spread out across several countries including UK, Austria, Belgium, Hungary, Spain, Germany, Italy, Netherlands, Switzerland, Portugal, Poland, Ireland, USA, Australia, Chile, Peru, Brazil, Argentina, Colombia, Mexico, Indonesia, South Korea, Thailand etc. Products are sold primarily to Branded Generic formulators both in India & Overseas.

#### *Disclaimer:*

*This document may contain statement which reflect management's current views and estimates and could be construed as forward looking statements. The future involves certain risks and uncertainties, and could cause actual results to differ materially for the current views being expressed. Potential risks and uncertainties include factors as general economic conditions, foreign exchange fluctuation, pricing pressures, competition and regulatory developments.*