



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

13th August 2025
IOLCP/CGC/2025

National Stock Exchange of India Ltd.

Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
Security Symbol: **IOLCP**

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Security Code: **524164**

**Subject: Transcript of Earnings Conference Call, post declaration of Financial Results
Q1 FY'26**

Dear Sir,

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the transcript of Earnings Conference Call organized by the Company on 08th August 2025 post declaration of financial results for the quarter ended 30th June 2025.

You are requested to take the same on record.

Thanking you.

Yours faithfully,

For IOL Chemicals and Pharmaceuticals Limited

Abhay Raj Singh
Sr. Vice President & Company Secretary



“IOL Chemicals and Pharmaceuticals Limited Q1 FY’26 Earnings Conference Call”

August 08, 2025



MANAGEMENT: **MR. PARDEEP KUMAR KHANNA – CHIEF FINANCIAL OFFICER, IOL CHEMICALS AND PHARMACEUTICALS LIMITED**
MR. ABHAY RAJ SINGH – SENIOR VICE PRESIDENT AND COMPANY SECRETARY, IOL CHEMICALS AND PHARMACEUTICALS LIMITED
MR. KUSHAL KUMAR RANA – DIRECTOR WORKS, IOL CHEMICALS AND PHARMACEUTICALS LIMITED
MR. RAKESH MAHAJAN – ADVISOR, IOL CHEMICALS AND PHARMACEUTICALS LIMITED

MODERATOR: **MS. PRACHI AMBRE – INVESTOR RELATIONS TEAM - MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to IOL Chemicals and Pharmaceuticals Limited Q1 FY '26 Earnings Conference Call.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Prachi Ambre from MUFG Investor Relations Team. Thank you. And over to you, ma'am.

Prachi Ambre: Good afternoon, everyone, and welcome to IOL Chemicals and Pharmaceuticals Limited Q1 FY '26 Earnings Conference Call.

Today on the call, we have Mr. Pardeep Kumar Khanna – Chief Financial Officer; Mr. Abhay Raj Singh – Senior Vice President and Company Secretary; Mr. Kushal Kumar Rana – Director Works; and Mr. Rakesh Mahajan – Advisor.

Before we begin the call, I would like to give a short disclaimer. This call may contain some of the forward-looking statements, which are completely based upon our beliefs and expectations as of today. The statements are not a guarantee of our future performance and involve unforeseen risks and uncertainties.

With this, I would like to hand over the call to Abhay sir for his opening remarks. Over to you, sir. Thank you.

Abhay Raj Singh: Thank you, Ms. Prachi ji. Good afternoon everyone. Welcome to the Q1 FY '26 Earnings Call of IOL Chemicals and Pharmaceuticals Limited.

Thank you for joining us today and for your continued trust and engagement. I hope, you have had a chance to review our financial results and investors' presentations available on the Stock Exchange and our website.

We are pleased to report an increasing start to the financial year. Q1 FY '26 has been a quarter of efficient execution marked by revenue growth, margin expansion, and resilient cash flow. This performance reflects the strength of our integrated business model and the strategic clarity with which we are navigating both opportunities and challenges.

Let me begin by briefly setting the broader industry context for the pharmaceutical segment, which continues to be the cornerstone of our business. The API market entered FY'26 with steady demand across most therapeutic categories, with certain products continuing to face pricing pressures and some product prices have bottomed out.

The overall demand environment remains stable. We are also witnessing good demand traction in non-Ibuprofen APIs like Metformin, Paracetamol, Clopidogrel, Pantoprazole, Fenofibrate, and others. Most of these APIs are operating at optimum utilization levels, indicating robust demand and efficient capacity use.

In the regulated market, the emphasis on quality, compliance, and supply reliability continue to support opportunities for well-integrated manufacturers like IOL. Our newly commissioned 10,800 MTPA fully backward-integrated automated Paracetamol plant has also commenced export to European and other regulated markets, positioning us strongly in this evolving landscape. We have also initiated setting up Unit 9Bs by carving out part of existing Unit 9 for manufacturing Minoxidil and its intermediates, which is expected to be completed by Q3 FY'26.

Turning to the Chemical segment:

Q1 FY '26 was marked by steady demand, but subdued pricing across key products. Market sentiments remain soft due to cautious downstream procurement. Against this backdrop, our successful REACH registration under EU regulations for Acetic Anhydride marks a significant milestone, enabling us to expand our footprint across European markets and reinforcing our position in specialty chemicals.

Looking ahead, our strategic priorities remain clear and consistent. We aim to diversify our API portfolio, targeting a 50 - 50 split between Ibuprofen and non-Ibuprofen. We are scaling up exports with growing traction in regulated markets across the LATAM, Europe, China, and others. Operational excellence remains a core focus, supported by backward integration, process innovation, and cost leadership.

On the sustainability front:

We are proud to have earned the EcoVadis Silver Medal, placing IOL among the top 15% of companies globally for environmental, social, and ethical performance. With a strong balance sheet, resilient operations, and a clear roadmap, we are well positioned to deliver sustainable growth and long-term value for all stakeholders.

With this, I now invite our CFO – Mr. Pradeep Khanna to share the 'Financial Highlights' for Q1 FY '26.

Pardeep Kumar Khanna: Thank you, Abhay. Good afternoon, everyone. I am pleased to report that Quarter 1 of Financial Year '26 has been a strong start to the year with robust financial performance across our key metrics.

Revenue from operations stood at Rs. 552 crores reflecting a healthy 9.8% year-on-year growth compared to Rs. 502 crores in Quarter 1 of financial year '25. EBITDA for the quarter rose by 19.5% year-on-year to Rs. 69.5 crores, up from Rs. 58.2 crores in the same quarter last year. This

translates to an EBITDA margin of 12.4% and improvement of 102 basis points year-on-year basis, driven by better product mix, cost optimization, and improved capacity utilization.

Profit after tax came in at Rs. 34 crores, marking a 14.4%, increase over Rs. 29.7 crores in Quarter 1 of financial year '25.

PAT margin also improved, reflecting our disciplined financial management and operational resilience. On a cash-adjusted basis, our performance was even stronger. The cash PAT for Quarter 1 of financial year '26 stood at Rs. 55 crores compared to Rs. 47 crores in the same quarter last year, registering a growth of over 16%. This underscores our strong cash generation capability and the underlying health of our core operations.

Our balance sheet remained solid, with no leverage, thereby providing us with ample headroom to fund future growth, invest in innovation, and pursue long-term strategic initiatives while maintaining financial stability.

With that, I conclude my remarks and now welcome any questions you may have. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is on the line of AB Rafe from Wealth Catalyst. Please go ahead.

AB Rafe: Thank you for the opportunity. Good afternoon. Sir I have couple of questions. So, my first question is given that Paracetamol has seen relatively weak demand over the past few quarters, which in turn has led to substitute demand for Acetic Anhydride as well. What is the current outlook for both the segments? Are there signs of recovery and can we expect a strong rebound in demand for both Paracetamol and Acetic Anhydride?

Rakesh Mahajan: Good afternoon. As regarding Paracetamol, the prices are no doubt at a very low level, but the demand is there, not at that level which was during the COVID period. But it is already above the pre-COVID arena area. The demand level is more than pre-COVID area, maybe some growth rate of 3% - 4% in Paracetamol.

So, no doubt the prices of Acetic Anhydride are also down presently. But the cost of production for IOLCP may be to some extent better than other peers for Acetic Anhydride and for Paracetamol also. Further, our new plant of 10,800 MTPA, it is totally automized and with backward integration of para aminophenol and Acetic Anhydride, we think that we may cover up a certain capacity utilization in FY '26, maybe around 55% - 60% this year and at an optimum level in the next financial year.

AB Rafe: Okay. All right. So, my second question is, with a major Ethyl Acetate plant in the Middle East that has got recently shut down, are we seeing any noticeable increase in our volumes and prices due to this development, sir?

Rakesh Mahajan: I think we have not shut down any Ethyl Acetate plant.

- Pardeep Kumar Khanna:** No, in the Middle East they are asking.
- Abhay Raj Singh:** Middle East.
- Kushal Kumar Rana:** Middle East, there is a plant shut. I think, we have not seen any encouraging change with respect to the pricing, because pricing is totally bottomed out for Ethyl Acetate. But yes, we have exports for Ethyl Acetate, but they are in line with our previous trends only.
- AB Rafe:** Okay, sir. So, my last question is, how has been the demand in Europe for both our pharmaceuticals and chemicals portfolio?
- Kushal Kumar Rana:** They are good, sir, because as we talk about our API products, we have the CEP for most of our products, and the demand is slowly and gradually increasing as the approval process is going on from our customer side also.
- AB Rafe:** Okay. Thank you, sir. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Priti Agarwal from SK Associates. Please go ahead.
- Priti Agarwal:** Thank you so much for the opportunity. My first question is that, how is the demand environment evolving for Ibuprofen and Paracetamol, particularly in the context of post-COVID normalization and recent recovery trends?
- Kushal Kumar Rana:** I think demand is, I think there is no any hefty increase in the demand. But yes, slowly the demand is going up, and which you can see from our performance also, , efficiency of our Paracetamol plant, slowly and gradually increasing the capacity. Ibuprofen, yes, somewhat it is same as compared to our previous quarters only.
- Priti Agarwal:** Okay. And what are the current price realizations for Ibuprofen, Paracetamol and Metformin in key markets? And how are these pricing trends shaping up?
- Pardeep Khanna:** The price of Ibuprofen in the market is USD 9 to USD 10 dollars. And in case of Metformin, it is around USD 2.5 to USD 3 and in case of Paracetamol, it is USD 3 to USD 3.5.
- Moderator:** As there is no response from the current participants, we would move to the next question. Thank you. The next question is from the line of Surabhi from NV Alpha. Please go ahead.
- Surabhi:** Hi, thanks for the opportunity. So, my first question is how much of our Ibuprofen is in our regulated market versus the non-regulated market? And secondly, all the new APIs that you all have announced for the likes of Minoxidil and all, what is the peak revenue that we can do from the newer API?

- Rakesh Mahajan:** As regarding the export of Ibuprofen in the regulated market, of total export of Ibuprofen, around 70% in our regulated market, namely Europe and Latin America, and balance 25% to 30% in non-regulated market. And also, as regard to your second question in Minoxidil, we are setting up a capacity of around 120 tonnes of Minoxidil. And at the peak level, we are expecting a revenue of 50 to 60 from Minoxidil in addition to the intermediate sales.
- Surabhi:** Got it. Just a follow-up. So, Ibuprofen, we do not do any North America, correct? It is in Europe and LATAM.
- Kushal Kumar Rana:** Yes, primarily these are the two markets.
- Surabhi:** And what is the peak revenue that we can do from other APIs, from the newer block that we export?
- Kushal Kumar Rana:** You are talking about other API molecules or?
- Surabhi:** Other I know other API --
- Abhay Raj Singh:** Yes. you can all it Ibuprofen and non-Ibuprofen.
- Surabhi:** So, non-Ibuprofen? What is the peak revenue that we can do?
- Rakesh Mahajan:** It would be around Rs. 900 crores to Rs. 1, 000 crore in two years - three years.
- Pardeep Kumar Khanna:** Currently, we are approximately at 500.
- Surabhi:** So, it can double from there.
- Pardeep Kumar Khana:** So, in two years - three years, we will achieve Rs. 800 crores to Rs. 900 crore.
- Surabhi:** Okay, sir. Thank you.
- Pardeep Kumar Khanna:** We are targeting 50-50, 50 Ibuprofen and 50 non-Ibuprofen.
- Surabhi:** Okay. Yes. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Devanshi Shah from SDA Finance. Please go ahead.
- Devanshi Shah:** Hi, thank you for taking my question. So, my first question was how much of your chemical production is currently consumed internally for backward integration, especially for Ibuprofen and other APIs versus sold externally through merchant sales?

- Rakesh Mahajan:** It depends on the product to product. Like Isobutyl benzene, IBB, we consume around 75% to 80% in-house for captive consumption and balance is for merchant sales.
- Kushal Kumar Rana:** And then about Ethyl Acetate, that is 100% approximately for the merchant sales only. And if you talk about Acetic Anhydride, we are using almost 40% in-house because it is used in MCA and Acetyl plant as well as for our Paracetamol plant. And rest, it is for the merchant sales only.
- Rakesh Mahajan:** So, when the Paracetamol capacity will increase, its captive consumption will –
- Kushal Kumar Rana:** The captive consumption will increase
- Devanshi Shah:** Got it, sir. And my second question was how are you transitioning from a domestic unregulated player to a global supplier and regulated market? What is the current domestic versus export revenue split and how do you expect this to evolve over the next two years - three years?
- Pardeep Kumar Khanna:** Actually, the current situation of export and domestic is 75% approximately and 25% export. And we are targeting to increase the export to 40% of total revenue in the coming two years.
- Devanshi Shah:** Got it. And how are you transitioning from a domestic unregulated player to a global supplier in regulated markets?
- Pardeep Kumar Khanna:** Actually, our new products which are set up in the last two- three years years like Clopidogrel, Pantoprazole and Fenofibrate, we are converting it to regulated market. The consumers and the customers are coming for audit and we hope we will do our best and participate in regulated market in the coming 2 years and we will achieve our total target of 40% of export in the coming 2 years.
- Devanshi Shah:** Got it, sir. Thank you and all the best.
- Moderator:** Thank you. The next question is on the line of Maulik Varia from B&K Securities. Please go ahead.
- Maulik Varia:** Yes, hi sir. Thank you for the opportunity. Just two clarifications. So, the 40% export guidance which you said is for chemicals plus pharma or only pharma APIs?
- Pardeep Kumar Khanna:** Total for chemical and pharma, company as a whole. Okay.
- Maulik Varia:** Thank you, sir. And also, just one more clarification. Our non-Ibuprofen share for 1Q would be 34%, right?
- Pardeep Kumar Khanna:** Right, yes.
- Maulik Varia:** Okay, sir. Thank you so much.

- Moderator:** Thank you. The next question is on the line of Vignesh Iyer from Sequent Investments. Please go ahead.
- Maulik Varia:** Hello. Two questions from my side, sir. Firstly, I just wanted to understand are the Paracetamol prices that you said around USD 3 to USD 3.5, that is the domestic price, right? What would the export realization look like?
- Rakesh Mahajan:** It is an average realization to the company as an IOL. It may be a mix of domestic prices and export prices.
- Pardeep Kumar Khanna:** Generally, export prices are higher than 10% to 20% from the domestic price.
- Maulik Varia:** Okay. So, fair enough. And wanted to understand, sir, are we maintaining our guidance of 15% margin including other income for the entire year?
- Pardeep Kumar Khanna:** Yes.
- Maulik Varia:** Okay, sir. Just one more clarification. I wanted to understand on Metformin side, what would be our current utilization of the total capacity? If I am not wrong, it is around 7,600 MTPA. So, any plans to expand that capacity?
- Abhay Raj Singh:** Yes, it is more than 90% as of now. Yes.
- Maulik Varia:** Okay. And any expansion?
- Abhay Raj Singh:** Expansion, see, we already explained this in earlier conferences also. By virtue of setting up the new Paracetamol plant, the earlier plant where we were making the Paracetamol, that was previously being used for the Metformin. Once we shift all the productions to the new plant of Paracetamol, that plant will be used for the Metformin again. which will be having the capacity of 4000 MTPA.
- Maulik Varia:** 4000 MTPA. Right.
- Abhay Raj Singh:** So, it will be an addition from now.
- Maulik Varia:** Okay. Yes. 4,000 addition to what we have now. Right. So, for this, the DCDA that is required, will we still be continuing to import from China or how should we see that part?
- Abhay Raj Singh:** It will continue to be imported from China.
- Maulik Varia:** Okay, sir. Got it, sir. That's all from my side and all the best for the year ahead.
- Abhay Raj Singh:** Domestically, it is not available actually.

Maulik Varia: Right.

Moderator: Thank you. The next question is on the line of Raj Patel from RK Securities. Please go ahead.

Raj Patel: Yes. So, thank you for the opportunity. A few quick questions from my side. So, I just want to know that can you provide a few more details regarding the Minoxidil expansion project and what will be the strategic role that the Unit 9B is going to play within your non-Ibuprofen portfolio? And apart from that, how do you look its contribution to the growth following its commission which we expect in December 2025?

Kushal Kumar Rana: Yes. So, basically, as you know, we have a earlier plant which was used for manufacturing of Gabapentin. So, it was having two parts. So, out of that, one part is converted into dedicated facility of Minoxidil. And why this Minoxidil is selected? The reason is Minoxidil was a product which is having good demand from some of our customers, number one. And number two, the product was already there on shelf, all the validation, all stability, all shelf life was assigned to that product.

and addition to the API sales, there are some intermediates of this product which are also going into the market. So, we are selling intermediates of this product into the market as well. So, initially, once we are not in a position to fully utilize the 100 capacity into API. But yes, intermediates would be there into the market.

Raj Patel: Okay. And my other question was that what can we expect could be a broader strategy for strengthening your non-Ibuprofen API portfolio, particularly the which are in high demand therapeutic category? And can you also provide us the more insights or details regarding your product pipeline Ibuprofen?

Kushal Kumar Rana: So, other products if you see like we have Clopidogrel, we have Pantoprazole Sodium. So, all non-Ibuprofen products, we are converting the markets into the regulated market. We have the presence in Indian market. But yes, we are planning to shift to the quality customers or you can say into the regulated markets where the realization would be better for the product. That is why we are thinking to increase the overall percentage of non-Ibuprofen products.

Raj Patel: Okay. And my last question was that can you give us some light regarding the non-Ibuprofen APIs which are being showing this strong domestic momentum and what are the key growth driver for it such as we could expect the regulatory approvals or price stability or increasing geographical penetration?

Kushal Kumar Rana: So, if you see non-Ibuprofen, we are talking about metformin first where we are utilizing our capacity more than 90%. Then Clopidogrel and Pantoprazole are the two other products where also we are increasing towards utilization of capacity more than 70% - 80%. And the third and most important factor is shifting of all these products to the regulated market. That will be the only added advantage for conversion of non-Ibuprofen share into the better percentage.

Raj Patel: Yes, that was all from my side. Thank you for answering the questions.

- Moderator:** Thank you. The next question is from the line of Dheeraj Shah from RJ Investments. Please go ahead.
- Dhiraj Shah:** Yes. Hello. Thank you for taking my question. So, I have a couple of questions. Firstly, what are the planned developments for the newly acquired hundred acre land parcel near the Chandigarh - Bhatinda highway once regulatory approvals are secured?
- Kushal Kumar Rana:** So, I think already as we informed in the last meeting also the environmental clearance process is already initiated. So, public hearing is also complete and the meeting in the ministry has also been happened on 29th of July. So, we are just about to get the environment clearance from the ministry. And parallelly, we will be planning to start the process slowly because we have the plans to go for chemicals and APIs in that plant also.
- Dhiraj Shah:** Understood, sir. And my second question is that what is the projected CAPEX for financial year 2026 and are there any new facilities or strategic initiatives planned under this investment?
- Pardeep Kumar Khanna:** As we earlier said that our CAPEX for the last two years - three years is Rs. 150 crores to Rs. 200 crores annually. So, this year we also plan for Rs. 150 crores to Rs. 200 crores. And this CAPEX is for growth also infra, land and new software and automation in the current year. So, we have the same plan as earlier. So, the details of the growth CAPEX will be shared on quarterly basis as and when the working and approvals are matured and we will inform accordingly. So, plan for Rs. 150 crores to Rs. 200 crores for the current year.
- Dhiraj Shah:** Understood, sir. Also, despite the challenging macroeconomic environment, IOL has delivered strong top line and bottom line growth. So, what are the key factors driving this improved traction and performance? Could you highlight that?
- Pardeep Kumar Khanna:** Actually, thank you for your comments and actually we are focusing on our capacity utilization and efficiencies and also, focusing on backward integration. So, these factors are contributing best to our performance.
- Dhiraj Shah:** Understood, sir. And lastly, what is the current capacity utilization for Paracetamol and what are your plans to further scale production? And how do you anticipate this impacting revenue contribution and margin for financial year 2026 onwards?
- Pardeep Kumar Khanna:** Currently, we are using 34% capacity in the first quarter. And we hope it will increase to 60% by quarter three of the current year. And as you know, we have fully automated and backward integrated plant of Paracetamol. So, we are hoping that we are cost competitor to other peers. So, capacity, we hope 60% by the third quarter of the current year.
- Dhiraj Shah:** Understood, sir. That is all from my side. Thank you for answering my question. Thank you.
- Moderator:** Thank you. The next question is from the line of Shaik Mohammad Riaz from an individual investor. Please go ahead.

- Shaik Mohammad Riaz:** Hi. Thank you for the opportunity and congratulations for that improved set of numbers. Sir, few questions are there. My first question is regarding Ibuprofen as well as SMS Pharma has started a new plant. I just want to know that is manufacturing facility of SMS Pharma more advanced than ours? And what competition we are facing from that unit?
- Kushal Kumar Rana:** SMS Pharma, the plant you are talking about, that is not new this year. That plant is running since last more than two years, number one. Number two, when we talk about the product, the product, the route they are adopting for making Ibuprofen, that is a different route. So, we have the competency with our own process and they have competencies with their own process. And probably for their other processes, we do not want to comment anything because that is our peer or competitor, you can say.
- Shaik Mohammad Riaz:** Okay, sir. Sir, previous quarter, I have asked regarding the patent of Apixaban and in the initial presentation, you have mentioned we are having three patents. So, patent drugs we are having, Sitagliptin we are having, which is the third? Apixaban is that the third patent? I just want to know. And I am following your LinkedIn page also. In that, I have seen somewhere that we have filed a patent of Apixaban and Edoxaban, exactly, I do not know. Last quarter also, I have asked the question, but I have not got the answer yet.
- Kushal Kumar Rana:** I think one patent is on Sitagliptin, that is for sure. Second one is probably on Vildagliptin. If you give me some time, we will check and come back to you.
- Shaik Mohammad Riaz:** But how to contact me? Will you contact me or because last quarter also, that was the answer was the same.
- Abhay Raj Singh:** So, another is the Valsartan and Sitagliptin. We have only two, third is in pipeline. It is filed, not received.
- Shaik Mohammad Riaz:** Okay. Can you name that drug Apixaban or you are not aware of that?
- Abhay Raj Singh:** Filed one, just a moment.
- Kushal Kumar Rana:** Basically, we have three patents, sir. So, one is on Valsartan, second is on Sitagliptin and third is on Losartan.
- Shaik Mohammad Riaz:** Losartan, okay. So, that is basically sartan drugs, right?
- Abhay Raj Singh:** Both Valsartan and Losartan are sartan.
- Shaik Mohammad Riaz:** Okay, sir. My next question is, sir, again, regarding, sorry for asking again, but what is the timeline regarding U.S. FDA? Still, you have not received any communication regarding U.S. FDA inspection and how much we are exporting in the U.S. market and what are the effects of 50% tariff that Trump, sir, has announced?

- Abhay Raj Singh:** So, as you said that Trump, sir, has announced, we do not know what is going to the next announcement, number one. Number two, we are not directly impacted with any tariff so far because API has not been considered so far and there is no tariff has been announced. Number two, as you said, USFDA approval, we are approved for other products also. So, it is not necessary that the US.FDA is coming and inspecting. They are also approving our products for selling into the US market without even inspection. Like Metformin, we are allowed to sell the Metformin, , Fenofibrate is also approved by the...
- Kushal Kumar Rana:** Last two months back, we have received the approval for Fenofibrate and Levetiracetam , we have received the queries from U.S. FDA, I think in last week, some observations are there on our DMF. So, I think, I think the process is still going on.
- Abhay Raj Singh:** And Mr. Sheikh, see, we also need to understand that it is not necessary that the U.S. FDA come and physically inspect us, because they inspected us twice. And after that, we have faced so many audits from so many regulatory bodies and all those regulatory audits have been cleared in one go. So, they are also considering the other agencies or approvals.
- Kushal Kumar Rana:** Like we have Brazil ANVISA, like we have EU GMP, our next EU GMP is planned in month of November. So, all these regulatory bodies, they have their own mutual agreement also. So, they are considering the audits from other agencies as well.
- Shaik Mohammad Riaz:** Great to hear that, sir. That was the satisfactory answer. Sir, what, why raw material prices has expected, has raised so much from Rs. 323 crores to Rs. 376 crores? Any reason behind that, sir?
- Abhay Raj Singh:** Can you please come again? Raw material?
- Shaik Mohammad Riaz:** Raw material expenses, I think there is a rise of Rs. 50 crores, top line we have improved 50 crores and raw material prices also increased around Rs. 50 crores. So, is raw material price has increased?
- Pardeep Kumar Khanna:** Actually, you see the change of inventory. We have increased the inventory of finished goods by Rs. 12 crores. So, considering this, then you compare it.
- Abhay Raj Singh:** Rs. 12 crores is to be deducted?
- Pardeep Kumar Khanna:** Yes.
- Shaik Mohammad Riaz:** Okay, sir. Sir, since so long we are discussing regarding the EBITDA margins, 15% to 20% is around what we have. So, we are discussing most of the time, but still it has not been achieved. When do you think we can achieve those 15% to 20% of margins, EBITDA margins?
- Pardeep Kumar Khanna:** Actually, you see last year, for the financial year '25, we have at 10% to 11%. Now, we are near to 13%. So, we hope, we will achieve shortly 14 to 15%. And you see the growth from the last two quarters - three quarters, our EBITDA margin is better.

- Shaik Mohammad Riaz:** Yes, EBITDA margin is better.
- Abhay Raj Singh:** See, this is like we are having very clear cut and focus, vision and we are just going all those, our strategies are just getting through. So, we are pretty sure that we will be having it. It is a matter of sometime only.
- Shaik Mohammad Riaz:** Okay. Sir, in top line, we have not achieved the Rs. 600 crore top line mark. Can we achieve those numbers in next two quarters - three quarters?
- Abhay Raj Singh:** I think, yes, we can. If you see our guidelines, I think you will find our answer. If not Rs. 600, but very near to that also.
- Shaik Mohammad Riaz:** Yes, we have achieved Rs. 587 crores is the top, I think, but have not crossed it yet.
- Abhay Raj Singh:** No, what I am saying, within this financial year, we are having three quarters to be reported. So, what I am saying, Rs. 600 crores marks is possible we can touch. If not touch, then we will be very close to that.
- Shaik Mohammad Riaz:** Okay, that is great. Sir, this is my last question. Price difference between Acetic Anhydride in the regulated and India, means normal market and regulated market?
- Abhay Raj Singh:** Not very much. It is a very minor 5% to 10% depending country to country.
- Shaik Mohammad Riaz:** Okay, sir. That was my last question. Thank you.
- Moderator:** Thank you. The next question is on the line of Maulik Varia from B&K Securities. Please go ahead.
- Maulik Varia:** Thank you again for the opportunity, sir. So, just continuing on the guidance and financial part. So, you mentioned that we will be achieving EBITDA margin of 15% plus in the next few quarters. And I think our previous quarter guidance was in FY '26. So, are we sticking to that guidance of achieving 15% in FY '26?
- Abhay Raj Singh:** No, we never said that we will be crossing the 15% mark. We are saying that last year we were having something around 12%. This year, we are close to 13% by now. And what we are estimating and that we will be reaching somewhere 14% to 15% something. But it is not like that we are saying that the 15% plus. So, 14% - 15% is the guidelines we have given. So, we are hopeful as of now also.
- Maulik Varia:** Okay, sir. And for Chemical segment, how much EBITDA margin are we expecting for FY '26?
- Pardeep Kumar Khanna:** It is 5% to 6%, we are hoping.
- Maulik Varia:** Okay, for FY '26, 5% to 6%. And from both the sectors --

- Abhay Raj Singh:** So, this 14% is something blended EBITDA margin we were discussing.
- Maulik Varia:** Yes, right. And around 5% to 6% EBITDA margin for Chemical segment, right?
- Abhay Raj Singh:** Right. Yes.
- Maulik Varia:** Okay. And on the revenue front, are we confident of achieving around 10% to 15% revenue growth on a blended basis?
- Pardeep Kumar Khanna:** Yes, we are expecting 10% growth from the last year. In the current year, we definitely achieve.
- Maulik Varia:** Okay. Got it, sir. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Priti Agarwal from SK Associates. Please go ahead.
- Priti Agarwal:** Yes, thank you for the follow-up. I wanted to know what is the estimated peak revenue potential for both Ibuprofen and non-Ibuprofen segments over the next few years? And additionally, how do you anticipate margins evolving with the changing product mix and expanding market exposure?
- Pardeep Kumar Khanna:** So, from the Ibuprofen and non-Ibuprofen segment, we are targeting Rs. 2000 crores in the next two years.
- Priti Agarwal:** Okay. Understood. And with the successful REACH registration of Acetic Anhydride, how do you plan to capitalize on this opportunity for expansion in the EU market? And are there specific volume or revenue targets associated with this initiative?
- Pardeep Kumar Khanna:** Actually, in case of Acetic Anhydride, our capital consumption is increasing due to increase in the capacity of our Paracetamol plant, which are currently running at 34%. And we are hoping 60% capacity of para by Q3 of the current year. So, most of the production of Acetic Anhydride is capital consumption, used in capital consumption. Only some part, surplus part, we will sell in the market. And we are focusing this surplus quantity to the market where price realization is better, I think in Europe market, and for which we have recently got REACH certification.
- Priti Agarwal:** Okay. Understood, sir. Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, due to interest of time, this was the last question. I now hand the conference over to the management for the closing comments. Thank you and over to you, sir.
- Rakesh Mahajan:** Thank you everyone for joining us today. And we conclude our Quarter 1, FY '26 earnings call, it is encouraging to see our strategic focus on application, portfolio diversification, and regulatory advancement translating into strong start to the year. Despite a dynamic external environment, our

integrated business model, expanding global footprints and disciplined financial approach, continue to reinforce our resilience and growth potential.

We remain committed to scaling our presence in both domestic and regulated international markets, backed by operational excellence and innovation. We appreciate your continued support and look forward to engaging with you as we build on this momentum through the rest of FY '26. For any further queries, please feel free to reach out to our investor relations team. Thank you once again and have a great day.

Moderator:

Thank you. On behalf of IOL Chemicals and Pharmaceuticals Limited, we conclude this conference. Thank you for joining us and you may now disconnect your lines.