IOL CHEMICALS AND PHARMACEUTICALS LIMITED

05th November 2026

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051
Security Symbol: IOLCP

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001
Security Code: 524164

Subject: Transcript of Earnings Call on Q2 & H1 FY27 Financial Results

Dear Sir,

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Call on the financial performance of the Company for the Q2 & H1 FY27 held on Monday, 02nd November 2026:

You are requested to take the same on records.

Thanking You,

Yours faithfully,
For IOL Chemicals and Pharmaceuticals Limited

ABHAY RAJ SINGH
Digitally signed by ABHAY RAJ SINGH
Date: 2026.11.05 17:27:28 +05'30'

Abhay Raj Singh
Sr. Vice President & Company Secretary

IOL Chemicals And Pharmaceuticals Limited

"IOL Chemicals and Pharmaceuticals Limited

Q2 and H1 FY27 Earnings Conference Call"

November 02, 2026

IOL Chemicals And Pharmaceuticals Limited

MUFG

CHORUSCALL

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 – FINANCIAL ADVISOR AND STRATEGIC HEAD – IOL CHEMICALS AND PHARMACEUTICALS LIMITED

MODERATOR: **MR. VAIBHAV VIJAYWARGIYA – MUFG INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day. and welcome to IOL Chemicals and Pharmaceuticals Limited Q2 and H1 FY27 Earnings Conference Call. As a reminder, all participant 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vaibhav Vijaywargiya from MUFG Investor Relations. Thank you and over to you, sir.

Vaibhav Vijaywargiya: Thank you, Huda. Good morning, everyone, and welcome to Q2 and H1 FY27 Earnings Call of IOL Chemicals and Pharmaceuticals Limited. Joining us today are Mr. Pardeep Kumar Khanna, who is the Chief Financial Officer, Mr. Abhay Raj Singh, who is Senior Vice President and Company Secretary, Mr. Kushal Kumar Rana, Director Works, and Mr. Rakesh Mahajan, who is the Financial Advisor and Strategic Head to provide the results overview recently announced by the company.

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. These statements are not a guarantee of our future performance and involve unforeseen risk and uncertainties.

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

Abhay Raj Singh: Thank you, Vaibhav. Good morning, everyone, and welcome to the Q2 and H1 FY27 earnings conference call of IOL Chemicals and Pharmaceuticals Limited. Thank you for joining us today and for your continued trust and support. I hope you have had an opportunity to review our financial results and investor presentations filed with the stock exchanges and available on our website.

We have maintained the positive momentum during the second quarter of FY27, delivering healthy growth across our businesses, accompanied by a meaningful improvement in profitability. This performance is particularly encouraging in the backdrop of continued geopolitical uncertainties, global supply chain disruptions, and volatility in raw material prices. It reflects the benefits of our continued focus on product mix, operational efficiencies, better capacity utilization, and disciplined execution of our business strategy.

Coming to our pharmaceuticals business, we continue to witness encouraging demand across our product portfolio. Our non-ibuprofen portfolio maintained its growth momentum, registering approximately 70% Y-o-Y revenue growth during Q2 and contributing 45% of pharmaceutical revenue, compared with 38% in the corresponding quarter last year. This reflects the increasing scale and contributions of our diversified API portfolio.

At the same time, ibuprofen continues to remain an important business for IOL and we remain focused on strengthening our competitive position through capacity expansion, backward integration, and process efficiencies. Our chemicals business also witnessed a significant

improvement in performance with its contributions to overall EBIT increasing to approximately 7% during Q2, compared with around 1% in the corresponding quarter last year. This improvement reflects better realization, operating efficiencies, and disciplined procurement.

We believe our integrated manufacturing capabilities and investments in capacity enhancements will further strengthen this business and support its contribution to the company's overall performance. On the regulatory front, we achieved important milestone during the quarter. We received certificate of suitability from EDQM for Fenofibrate-Process II, taking our total CEP approvals to 22. Additionally, we received a GMP certification for our formulation CDMO facility, further strengthening our regulatory credentials and manufacturing capabilities.

During the quarter, we also secured EU-REACH registrations for our triacetin, strengthening our ability to access international markets. These developments represent important steps towards expanding our regulated market presence, enhancing our manufacturing capabilities, and creating opportunities for sustainable growth across our pharmaceuticals and specialty chemicals portfolio. Moving to our strategic growth initiatives, during the quarter, we announced three significant manufacturing projects involving a combined investment of approximately INR500 crores to be funded through internal accruals.

These projects represent an important step in strengthening our manufacturing platform and broadening our business portfolio. The initiatives include the expansion of our ibuprofen manufacturing capacity from 12,000 MTPA to 18,000 MTPA through a backward integrated facility, establishment of a formulation CDMO facility with an annual capacity of 1,500 million tablets or equivalent direct compressible grade volume, and setting up a dedicated specialty chemicals facility under a long-term tolling arrangement with a leading global chemical company.

These investments are aligned with our long-term objective of building scale, strengthening integration, and creating additional growth avenues. The CDMO and specialty chemical projects are expected to commence commercial operations during FY27, while the ibuprofen expansion is targeted for commissioning in FY28. Our CDMO initiative will enable us to leverage our existing pharmaceutical manufacturing and process capabilities to participate in a broader range of customer requirements.

Similarly, the specialty chemical projects is aimed at establishing our presence in contract manufacturing, providing an opportunity to develop long-term engagement with global customers and create an additional avenue for growth. Together, these initiatives will broaden our revenue streams and strengthen our position across the pharmaceutical and specialty chemicals value chain. Looking ahead, our priorities remain focused on executing the announced capital projects, scaling our diversified API portfolio, improving operating efficiencies, and strengthening our presence in international markets.

We will continue to pursue growth opportunities with a disciplined approach to capital allocation while maintaining a strong focus on operational excellence and financial performance. The progress achieved during the first half of FY27 reinforces our confidence in the directions of our business and our long-term growth strategy. Going forward, we remain focused on strengthening

our capabilities, expanding our business portfolio, and executing our strategic initiatives with discipline while continuing to create sustainable value for all stakeholders.

With that, I would now request Mr. Pardeep Khanna, our CFO, to take you through the financial performance for Q2 and H1 FY27.

Pardeep Kumar Khanna: Thank you, Mr. Abhay. Good morning, everyone. I will now take you through the financial performance of the company for the second quarter and first half year of financial year '26-'27.

Moderator: Sir, can you please come closer to the device?

Pardeep Kumar Khanna: Yes. Of course. During the second quarter of financial year '27, our revenue from operations stood at INR795 crores, registering a growth of approximately 40% Y-o-Y and high percentage sequentially. For first half year of financial year '27, revenue from operations increased by approximately 39% Y-o-Y to INR1,551 crores. This growth was supported by healthy demand across our pharmaceuticals and chemicals businesses, along with them improving product mix.

On the operating front, EBITDA for second quarter stood at approximately INR115 crores, compared with INR64 crores in second quarter of financial year '26, registering a growth of nearly 80% year-on-year basis. EBITDA margin improved by 321 basis point to 14.4% compared with 11.2% in corresponding quarter last year. For first half year of financial year '27, EBITDA increased by approximately 70% Y-o-Y to INR227 crores with an EBITDA margin of 14.5% compared with 11.8% in first half year of financial year '26.

Coming to profitability, profit after tax for second quarter of financial year '27 stood at approximately INR65 crores, compared with INR30 crores in quarter 2 of the last year, registering a growth of approximately 117%. For first half of financial year '27, PAT increased to approximately INR130 crores, compared with INR64 crores in the corresponding period of last year, more than doubling Y-o-Y basis. On the cost front, finance cost has increased during the quarter compared with the corresponding period last year, primarily due to higher working capital utilization to support increased business operations and volume.

From a segment perspective, the pharmaceutical business continued to be key contributor to overall performance, while the chemicals business witnessed a meaningful improvement in the operating profitability. Exports contributed approximately 28% of revenue, during the first half of financial year '27 reflecting the continued contribution of our international business. As we move to the second half of the financial year, our focus will remain on improving profitability, optimizing working capital, and maintaining financial discipline.

With this, we can now open the floor for questions-and-answers. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Bhavika Singhvi from Niveshaay. Please proceed.

Bhavika Singhvi: Hello. Am I audible?

Moderator: Yes, please.

Bhavika Singhvi: Yes. Thank you for the opportunity and congratulations for good set of numbers. So sir, first I wanted to understand that are we in the line of coming up with the facility, like we are saying FY28. So, how -- what is the status currently going on like the several construction has been started and have we placed the order for the equipment and all? And how quickly we are coming up with it?

Because what I can see from the market scenarios, there has been a quite realization increase happening in this ibuprofen market. So, wanted to understand from you also about the current scenarios of the market like how you see the ibuprofen realization have been and what are realization this quarter compared to the previous one, and are we getting benefited from it like other players in the market are seeing the benefit out of it?

Abhay Raj Singh: So, as we already said, this project is ----- we think that will be operationalized during the FY28. The equipments, already ordered and we are in line as per our projected target lines. So, we are very hopeful that this facility will come up during FY28. Relating to the global market and ibuprofen business, see, we -- this should not be considered as the short-term measure for the company's initiative. This is a strategic initiative that we have taken and is in line with our current utilization of the ibuprofen, also the development or engagement we are having with the various customers. And having said that, we are also coming up with CDMO formulation-based facility. We are having the good interest generations therein. So, some part of the ibuprofen will also be utilized in that facility. So, I think we are very much in line with our strategy, long-term strategy. This is not related to the what is going on presently and what is going on with the peers.

Bhavika Singhvi: Understood. But sir, can you tell us like what are the current scenarios like? Do we see the realization like going up like rapidly? And do we see it sustainable for at least coming 2 years-3 years? Because I think there are a lot of players globally who are backing like, who are stepping back in this ibuprofen business.

So, just wanted to understand from you the scenarios going on like, how the demand and the realization scenarios currently, though our strategy is for the long-term, but wanted to understand what currently we can see like, for example in Q3, Q4, can we see the realization gains happening in our ibuprofen business? And how we see that benefiting us in terms of EBITDA? Because we are already back integrated. So, wanted to understand in the like 1 quarter-2 quarters, can we see a good margin hike and realization gain in this business?

Abhay Raj Singh: So, I think we remain mindful of global demand supply dynamics, pricing trends, and competitive developments across the peers and across all global markets. The prices, I think are stable for last, I think from last quarters and hovering around the same level, and we assume that it will remain more or less same in near terms, 2 quarters to 3 quarters. Having said this, our investment should not be viewed merely as an increase in installed capacity.

This is relating to or should be considered rather strengthening our positioning into the global market and in the domestic markets both. We are hopeful that we will be definitely able to achieve good realizations from this business and our development are as per our targeted lines. So, things are going well for the ibuprofen.

Bhavika Singhvi: Got it, sir. And so, just a follow-up on this that, can you like share like do we have a long-term contract for the customers in our like API business? Or we generally like what is the timeline of order book we generally keep for this API business? If you can help me understand that.

Abhay Raj Singh: For API business, for any product, it takes around 6 to 8 months for any customers from beginning to start the commercial orders.

Rakesh Mahajan: So, the order book means around 4 months to 6 months for every big customer and average order book size is around 4 quarters to 6 quarters.

Bhavika Singhvi: Got it. And we have the clause to pass on the any like cost because raw material prices are also increasing a lot.

Abhay Raj Singh: Yes.

Bhavika Singhvi: Okay. Got it.

Rakesh Mahajan: Given the prices are very volatile. So, the clause is inserted in that order book.

Bhavika Singhvi: Got it. And sir, the another question I have is on the CDMO business. Basically, just wanted to understand that there what we are trying to make like though it's a customer based but just wanted to understand. which therapeutic area or which kind of formulation we are focusing there? If you can make us understand on the CDMO business.

Kushal Kumar Rana: So, currently our plans are to convert our existing molecules either into the bulk tablets or into the customized requirement, be it blister packing or something. So, currently, we don't have our plans to go with our own MAs. So, we will be going ahead with our own products as of now.

Bhavika Singhvi: So, you are saying you will make for the CDMO customer. For example, you are into ibuprofen, then you will make ibuprofen tablet out of it and sell it to your CDMO customer. Am I right?

Rakesh Mahajan: Yes. Yes. Ibuprofen, paracetamol, any type of API, which are in our current portfolio, we can make tablets for that.

Bhavika Singhvi: Okay. And do we have like a full -- how much commitment from our CDMO customer? Like, do we have only one customer for that or are there multiple CDMO customer for our formulator facility?

Kushal Kumar Rana: So, as of now, we have developments going on with two-three customers, but parallelly we are talking to other vendors and manufacturers also.

Bhavika Singhvi: Got it. And sir, how much margin we are expecting to make in the CDMO business because we are so backward integrated, we will have having our own API and all. So, what margin can we expect coming out of the CDMO business?

Abhay Raj Singh: Basically, Bhavika, this is too early to discuss the margins, but like , we have three business, chemicals, API, and CDMO, this is again the forward integration for our API. So, generally CDMO commands better than API. This will have better margin as compared to the API products.

Bhavika Singhvi: Got it. That's all. Thank you so much.

Abhay Raj Singh: Thank you.

Moderator: Thank you. The next question is from the line of Ahmed Madha from Unifi Capital. Please proceed.

Ahmed Madha: Thanks for the opportunity. Just a follow-up on the previous participant's question, who will be the typical customer for us? Will it be the domestic guys selling a branded product? Will it be US guys selling a product in OTC market? Can you give a little bit more clarity on the profile of the custom based in our CDMO business formulations?

Abhay Raj Singh: So, for CDMO formulations, we have already announced that our target is export, this is majorly the European market and the development is happening with few of our existing customers as we are having long-term relationship with or customers. Basically this is a customer-led business so, our focus is very clear that we are going for the CDMO with the existing customers.

Ahmed Madha: And in terms of -- yes, continue. Please, sir.

Abhay Raj Singh: Yes.

Ahmed Madha: So, you can continue your answer. Sorry, I cut it off.

Abhay Raj Singh: No. My answer is completed. What I was saying is that -European region, the target is for European region.

Ahmed Madha: Okay. And sir, can you give some more sense on how pricing for ibuprofen has moved for you in current quarter compared to last quarter? I understand some of the formulation guys will have some sort of contracts with you which you spoke about 4 months to 6 months. So, the whatever India index pricing we see has inched a little bit in last 6 months post-war. So, do you see pricing benefits further coming in your new orders in Q3, Q4 or that is already in the P&L as of now?

Abhay Raj Singh: No. I think it's already in the P&L and the prices are sort of stable for last quarters and they were also same for this quarter. Again ---- and relating to how smooth we are that can be vouched by the capacity utilisation we are operating at for last 3 quarters-4 quarters, it is around 90% to 95% capacity that is being utilized. So, I think prices for the next 2 quarters, 3 quarters, we expect will remain at the same level.

Ahmed Madha: And sir, in terms of your expansion from going from 12,000 tons to 18,000 tons, which I think will come by the next year end, do you see the sort of market becoming again a little bit tricky in terms of excess supply? There is an Indian company who is sort of wanting to expand capacity. I don't have a lot of visibility or clarity in terms of Chinese supply. So, how do you see the supply side evolving at 12 months-18 months down the line?

Abhay Raj Singh: So, basically this is a sort of the long-term initiatives we have taken and the project will ramp up during the FY28 and I think it will be fully utilized by the '28 and '29. So, optimum utilizations will happen in FY28-29'. For last few quarters we are operating around 90%-95%, even more than that capacity utilization. And this step has been taken, not considering the current scenario, which is happening around the markets, but this is on the basis of our development we are already having in, and we have very well visibility that how this product is going to be utilized in the API and the CMO both in next 2 years to 3 years.

Ahmed Madha: Yes, sir. And sir, for your incremental capacity, do you expect it to be similar merchant customers or you think a large part of incremental capacity will go towards the formulation supplies?

Abhay Raj Singh: I think it's of both.

Ahmed Madha: Can you give a broad break? I'm just trying to understand how much...

Abhay Raj Singh: Broad break up is…

Ahmed Madha: See, at the end, IBU market will grow at certain percentage, 3%, 4%, 5%. And there is a fair amount of supply coming in. So, I'm just trying to understand how much supply expansion happens and how much do you utilize to fulfill your formulation customers?

Kushal Kumar Rana: So, I think it will be a mix again, probably we have some new developments with our API suppliers also, so their market demand will be catered from this plant. And additionally, like our CMO plant is going to be utilized, so some of the quantity, you can say 50-50, either 50% will go to the new customers and 50% of it will be consumed for my internal CMO supply.

Ahmed Madha: Understood. Got it. Thank you so much.

Moderator: Thank you. The next question is from the line of Vignesh Iyer from Sequent Investments. Please proceed.

Vignesh Iyer: Hello, sir. Congratulations on a good set of number in a tough environment, right? So, my first question is on the CDMO side. Just wanted to understand, so you mentioned that commissioning is in FY27. So, just wanted to understand how long does it take for the customer approval to come for the products that we intend to manufacture in this facility?

Kushal Kumar Rana: So, it will depend from customer to customer and in which market the customer is operating. So as we said that we have main focus area for the European market. So like we will start the validation process first and after validation, we will submit our samples, then probably we will make documentation accordingly and then that customer will go ahead for their approval into

their respective country and then it will move on. So generally it is around one year's time, means three-four months here and there.

Vignesh Iyer: Okay, got it. Got it. And also, can you share the you know capex numbers that we have actually already spent in first half of this year and how much we will be spending you know on the second half of the year?

Pardeep Kumar Khanna: We planned the capex of INR250 crores in the current year and we have already spent half of this in the first half and remaining will be spent in the second half of the year.

Vignesh Iyer: So, if I understand INR250 crores for the entire year, right, the total capex?

Pardeep Kumar Khanna: Yes.

Vignesh Iyer: Okay. So also, you know, in with the elevated prices of the product, we are seeing that there would be a requirement of higher amount of working capital for this entire year. Am I right with my analysis on this? Or I mean, so the total finance that will you will require capex plus working capital will probably be more than your the cash flow that you will be making for the year. So there will be some elevated level of borrowing in this year.

Rakesh Mahajan: Yes, you are right that the increased level of operation and increasing selling and input prices, the requirement of working capital is on higher side. As you seen that in our numbers, there is a slightly increase in the finance cost also, but these limits are proper already not fully utilized. So we now in the last quarter, we have used these working capital at optimum level and we are not going to take any borrowing in the coming years. We have sufficient cash flow operating and in hand cash with the company as of now.

Vignesh Iyer: So, this INR200 crores of short-term borrowing that you have as on 30th September 2026, that would be the peak borrowing is what you are saying for the rest of the year?

Rakesh Mahajan: Yes, it is working capital from the bank only, other than this short-term working capital only.

Vignesh Iyer: Yes, so that is the peak working capital requirement is what I am saying. So, we won't require more than INR200 crores, right, for the rest of the year?

Rakesh Mahajan: Yes. Yes.

Vignesh Iyer: Yes, okay. Thank you. Thank you, sir. That's all from my side.

Moderator: Thank you. The next question is from the line of Maulik Varia from 360 ONE Capital.

Maulik Varia: Yes. Hi sir. Thank you for the opportunity. I hope, am I audible? Just, a little bit of reiterating and clarification on the previous participant's question. So firstly, sir, our CDMO business, so you mentioned that it has been recently inspected by -- I mean the GMP inspection has been done. So, for the products which we are converting the API -- existing API products, which we are converting into formulations, will we require any additional filings or approvals apart from this? Or how does this work? Can you please make a comment?

Kushal Kumar Rana: As far as approvals are concerned, we have the local approvals from the state licensing with prior to starting the plant and additional requirement from the customer side was the European GMP, which is already in place. And probably, I think, going forward, it will be the documentation required for filing into their respective countries. So that process will go on as usual.

Maulik Varia: Okay. And in terms of our Ibuprofen, you mentioned that the new capacity which is coming up will be utilized by FY28 and FY29. Is my understanding correct?

Kushal Kumar Rana: Yes. This is correct.

Maulik Varia: Okay. Okay. And also, sir, in terms of order book, you mentioned of four to six quarters. So that was across all pharma products or only for Ibu, sorry, I missed that point?

Rakesh Mahajan: Primarily for Ibu, paracetamol and metformin.

Maulik Varia: Okay. Okay. And sir, in terms of our growth, so we witnessed strong growth in the quarter. And this -- can you help us in terms of breaking up between volume and value growth for Chemicals and Pharma?

Abhay Raj Singh: So, if we talk about the volume, all our major products are being utilized at 95% to 100% capacity utilization. So, I think breakup of - what volume is contributing and what price is contributing is not available right now with us. But majorly, this is on the basis of the prices and the better utilization and also the efficient procurement.

Maulik Varia: Understood, sir. Okay, okay.

Abhay Raj Singh: It is a mix of three, four things.

Maulik Varia: Understood. Okay, sir. And sequentially, what do we expect for second half of '27, do we still expect improvement on as compared to first half? What is your view, sir?

Abhay Raj Singh: For FY27 we perhaps will be having around 25% plus revenue growth with 14% to 15% of EBITDA generation. So, as two quarters already gone, I think we should have for the next quarter more or less same performance.

Maulik Varia: Sorry, sir, sorry, your voice cracked for me, sorry?

Abhay Raj Singh: I think Q3 and Q4, the remaining two quarters, perhaps we should have the same performance because we are expecting more than 25% or close to 25% revenue growth this year.

Maulik Varia: Understood, sir. Okay. And the new projects, so the Ibu, which is expected to start in FY28. So that will be in the first half or second half of FY28?

Abhay Raj Singh: Probably in the third or the fourth quarter. So, this will be having very less impact during that financial year. So real benefit will come in by '28 and '29.

Maulik Varia: Okay. So, second half of FY28 and FY29 will be seeing contribution from Ibu business also?

Abhay Raj Singh: No, no. This will be commercialized during FY28, During to March somewhere between, so in that FY, this will be very less time for ramping up the production and realization. So, the benefit will start coming from '28 - '29.

Maulik Varia: Understood. Okay. Okay. Got it, sir. And, sir, another question is on book keeping side. The other expenses were higher for the quarter at approximate 14.5% of sales, usually, our rate is 13.7% to 14%. So, any particular reason? And is this the new normal, which we should expect going ahead?

Pardeep Kumar Khanna: Other expenses have increased due to cost of power and fuel and the logistic costs during the quarter. Power and fuel cost generally every year, higher in the second quarter because of summer season and rise in material cost of goods. So, the other cost, logistic cost, which is due to high cost of shipping freight, which we have a capacity to pass on the customer in the coming months. So we hope it will decrease both the cost decrease in the third and fourth quarter.

Maulik Varia: Okay. Sir. And my final question is, sir, what products would be the key drivers in the Chemicals segment, which drove the 38% growth in this quarter?

Pardeep Kumar Khanna: We have used 100% of appropriate capacity for both Ethyl Acetate, Acetic Anhydride, and prices are also better in this space. So this is contributor to our chemical segment.

Maulik Varia: Okay, sir. Thank you, sir. I have no questions. I will join the queue.

Moderator: Thank you. The next question is from the line of Yogesh Patil from Prami Investment. Please proceed.

Yogesh Patil: Yes. Thank you very much and good afternoon sir. Sir, just revisiting your guidance, you said 25% full year growth. It means the H2 growth would be lower relating to the H1 growth?

Abhay Raj Singh: No, no. What we are saying that this is for the overall year we are talking about. So I think -- because initially, we said that it will be around 15% to 20%. Now we have the visibility because half year already gone, the remaining half year will be performing more or less the same, so in overall terms, it will be 25% plus.

Yogesh Patil: Okay. It is not capped between around 25?

Abhay Raj Singh: Yes.

Yogesh Patil: Obviously, we are doing a lot of backward integration and process improvement. And I see around 100 bps improvement in gross margins and operating leverage in spite of higher other expenses. Sir, do you see going forward, because see, pricing is not in our control. We can only improve the productivity or reduce the cost. Sir, do you see the cost of production going forward will reduce from here on per ton basis or maybe any other do you foresee?

Abhay Raj Singh: Yogesh-ji, that again depends on the raw material prices, how they are going up. But...

Yogesh Patil: Cost of production. I think cost of production.

Rakesh Mahajan: Being active in backward integration, our continuous focus on how we can increase our efficiencies better product mix and how to minimize impurities and give better quality. This is our main focus for better realization, better bottom line in the company. But the price utilization or the prices maybe not controlled by any person in the industry.

Yogesh Patil: That is completely understood, sir. Yes. Because see, we can only -- we can improve the productivity. We don't have any control on realization. And sir, in CDMO business, I'm sorry, I'm new to this company. But we are investing almost INR110 crores. So what could be roughly asset turn here, roughly, how much revenue we can generate here roughly?

Rakesh Mahajan: We have just entered this CDMO business just now. And as we projected, 1:1 asset turnover in the initial phase of this, because we incurred around INR110 crores, and we are expecting around INR125 crores revenue from this CDMO business at a cost of INR110 crores.

Yogesh Patil: Sir, in this CDMO business, there would be competition might be not very serious. What could be roughly gross margins or maybe EBITDA margins approximately? I'm not asking exact, but just to understand it better, slightly or maybe what we are -- let's say we are earning around 15%, so it would be more or less similar to 15 plus something or it is equal to 15%?

Rakesh Mahajan: See, Abhay just told that in CDMO business, everyone expect improvement in this EBITDA margin compared to API or chemical business. So we are also expecting higher margin in CDMO business as compared to existing business.

Yogesh Patil: Okay. And sir, final question from my side. Since we are a growing company, and considering the scenario because you deal with customers and market scenario you know better than us. Sir, what would be the aspirational target for FY29?

And I'm not asking any hard core target, but there is it because since we are doing capex and increasing capacity based on our judgment. So just what could be the roughly ballpark number we can generate at FY29?

Abhay Raj Singh: I think the sustainable -- I think we should rather than being aspirational, we should talk more on the sustainable EBITDA number. So around 15% to 17% is a sustainable number, and we should target that.

Yogesh Patil: Okay. 15% to 17% with similar margins?

Abhay Raj Singh: Yes. We are talking about the company as a whole.

Yogesh Patil: Yes, yes company, right.

Abhay Raj Singh: Yes, it's a blended margin.

Yogesh Patil: Okay. Thank you very much and all the best.

Abhay Raj Singh: Thank you.

Moderator: Thank you. The next question is from the line of Ashit Kothi from Almondz Global Securities. Please proceed. Mr. Kothi, we can't hear you.

Ashit Kothi: Yes. Thanks for opportunity. Just wanted to understand, sir, our 25% growth will it be only volume growth or will it be value growth?

Abhay Raj Singh: So it's a value growth.

Ashit Kothi: Okay. So there is no room for further volume growth with existing capacity.

Abhay Raj Singh: There is. Basically so the growth we are talking about is the revenue growth vis-a-vis the last year's revenue. Obviously, this will also include the volume growth and the operational efficiencies and the benefits of the integration that we are making continuously. Also the R&D, keeps on updating our process. So it's a mix of all.. So we are hopeful that 25% perhaps we will be having the better growth.

And for the scope you're talking about, we keep on enhancing the capacities also. This is growth we are talking about on the basis of the current capacities. But as you see in last 2- 3 years, we have gone through various capacity enhancements. And just 2 months back, we also announced further capacities and new businesses. So there are lot of scope for the next year and further.

Ashit Kothi: I missed out last.

Abhay Raj Singh: So you said that there is no scope of the volume growth. So my take was on that question that you would have seen that for last few years, we are continuously increasing the capacity of our existing products as well as bringing in the new product. So the growth we are talking about 25 plus is on the basis of the existing capacities, whereas we have also announced INR500 crores investment into the new businesses and also for enhancing the capacities.

Similarly, last year, we increased the capacities of the Pantoprazole, capacities of the Minoxidil, Clopidogrel, etc. So considering the utilizations, when we reach to a particular utilization and maintained at certain level and considering the customers' engagement and the developments, we consider to increase the capacity for that product. So there is a lot of visibility for next 2, 3 years from now, for increase in volume and increase in the revenue from the other products and new business line also.

Ashit Kothi: Right, sir. In terms of raw material consumption, how much would be in percentage terms in value, imported raw materials?

Pardeep Kumar Khanna: It is around 62% to 63% overall.

Ashit Kothi: Sorry, sir?

Pardeep Kumar Khanna: It's 62%, 63% overall.

Ashit Kothi: Okay. So it means that we do have margin ratio, whenever there is a currency volatility.

Rakesh Mahajan: No. He wants to say that the overall consumption for raw material company as a whole is around 62%. And regarding the import in chemical, certain products are being imported and primarily around 60% to 70% raw materials are being imported like acetic acid, whereas in API, there is an import percentage not more than 20% - 22%.

Ashit Kothi: And in case we have both availability means domestically, the material is also available and we have the option for import also.

Ashit Kothi: Okay sir. Thanks. I will come back in line.

Moderator: Thank you. The next question is from the line of Virag Shah from Elios Financial Services. Please proceed.

Virag Shah: I wanted to know the asset turn for each plant or the new expansion that is happening, because I wanted to understand that you gave the guidance of ROC of around 15% from the current 11%, so just wanted to understand the math as to how will you be able to achieve that, if you could elaborate?

Rakesh Mahajan: The asset turnover depending upon the product to product. But in our sector, like in chemical, it is around 1:3. And in the API, it is 1:1, and in the CDMO, we are projecting around 1:1 also or 1:1.25. So overall blended, we think it is company as a whole 1:1.75 near about.

Virag Shah: Okay. Understood. And the last question would be on the Ethyl Acetate side talking about the chemical side. So what's the growth more price driven or volume driven? Because you also started a new plant. So if you could comment on the current utilization and expected ramp-up for the Ethyl Acetate? So yes.

Rakesh Mahajan: Ethyl Acetate, we have not set up a new plant, but we have increased the capacity of the existing plant from 1 lakh ton to 1,20,000 tons. And the increase in this revenue from Ethyl Acetate is a combination of increase in volume capacity utilization, increase in our penetration in the export market. And there's 2 certain high value for these customers also.

Virag Shah: Okay. So it's a breakdown with you in terms of volume versus price?

Rakesh Mahajan: No, as volume of -- the breakdown is not available as of now.

Virag Shah: Okay no worries. Can you lastly comment on the price trends that you expect for Ibuprofen over the next 2 years? How do you see it? An unbiased view.

Abhay Raj Singh: I think considering there's so much dynamism in the current situation, forecasting 2, 3 years, prices of the Ibuprofen from there is risky for me. But the prices are hovering at around the same price for last more than 1 quarter. And we are expecting that it will remain similar -- on similar line in next 1 or 2 quarters.

Virag Shah: Okay, understood. All the best. Thank you.

Moderator: Thank you. The next question is from the line of Santosh from LJC Capital. Please proceed.

Santosh: Exports contributed approx 28% of H1 revenue. So as incremental export growth being driven primarily by existing products and established markets or by new product approvals and customer additions, like which opportunity offers better realizations?

Rakesh Mahajan: In export, we have increased penetration in certain part of chemical like Ethyl Acetate and main part is contributed by non-Ibu segment.

Santosh: My second question is regarding pharmaceutical formulations, CDMO earlier, you said Q3 FY27. And now you mentioned FY '27. So exactly when can we expect the commercialization?

Abhay Raj Singh: Commercialization of CDMO, this is going to be commercialized in FY28. And the optimum level utilizations will happen in FY28 and '29.

Rakesh Mahajan: Already, validation batches are given to our anchor customers, and they are under -- from the new plant and made 1 quarter or 2 quarter for complete validation.

Santosh: Okay. Thank you so much and thanks for the opportunity. All the best.

Moderator: Thank you. The next question is from the line of Bhavika Singhvi from Niveshaay. Please go ahead.

Bhavika Singhvi: So basically, I wanted some understanding on this specialty chemical plants, which we expect to commercialize in Q3. So could you provide more clarity on the product or maybe chemistry being manufactured like we are planning to manufacture there? And what profile of global customers we have onboarded for this particular capacity?

Because I think you mentioned that it's purely toll manufacturing. So just wanted to understand like will it be a CMO-based contract or the CDMO capabilities, and how we have contracted the structure of pricing minimum to the commitments or maybe the revenue like -- commitment we got from the customer, if you can highlight any of this information on this plant?

Kushal Kumar Rana: So okay, the first part of your question is the customer. So the customer is one of the renowned chemical manufacturing company. And as of now, the arrangement with self-tolling agreement is there for manufacturing of certain quantity. Plant is almost commissioned and probably we will be starting batches maybe in the month of November. And by the end of November, and then probably we will ramp up the capacity slowly and gradually in line with the requirement from the customer.

Abhay Raj Singh: And the pricing arrangement isthe cost plus model.

Bhavika Singhvi: Okay. And like.....

Abhay Raj Singh This is, as you said, the customers visibility, and this is CMO.

Bhavika Singhvi: Got it. And what kind of product if you can highlight that, like.....

Abhay Raj Singh: We are under confidentiality arrangement, that is the reason we are not able to discuss the name of the company as well as the product name.

Bhavika Singhvi: Okay. But it's like for which -- particularly like end application of the chemical product or with N minus 1 so maybe like what...

Abhay Raj Singh: Yes. So, basically, it's new product, we are not manufacturing so far. The plant has been set up dedicatedly for the customer. So I think we are not able to speak more on this due to confidentiality.

Bhavika Singhvi: Got it. can you like...

Abhay Raj Singh: It that it has many applications.

Bhavika Singhvi: But it is a common like it's a specialized, because we are making for 1 customer, but in a market like this chemical is there? And how much market we like for this particular chemical we are expecting like the total TAM market, if you can quantify.

Abhay Raj Singh: No, Bhavika ji, we are not marketing this product into the open market. This is being manufactured on the contract base. And the benefit of this is that the process is provided by the customer and validated by themselves. The benefit is there that we have visibility of the realizations and the profits as well. Also, this opens us the opportunities for entering the CDMO business for the chemicals also. The arrangement with the company, we are having, is one of the renowned global company. So, we will have the operational advantages, manufacturing excellence, visibility of the revenue as well as the profits.

Bhavika Singhvi: Got it. Okay. That's all. Thank you so much.

Moderator: Thank you. The next question is from the line of Varun Sanghavi from Akshay Vardhaman. Please proceed.

Varun Sanghavi: Hi. Thank you so much for the opportunity. I hope I'm audible. So this is regarding the paracetamol facility that we have recently added up to 1,8000 metric tons. I just wanted to understand on the last month of September -- last month of quarter, which is September, acetic acid prices were up 50%. How much of that effect it had on the end API prices? That's question number one. And going forward with the facility of Paracetamol, how do you see the Indian landscape? Is that still room for more volume-led growth or the market is saturated?

Kushal Kumar Rana: Basically, acetic acid is not directly used for the manufacturing of paracetamol number one. Number 2, yes, acetic acid is used as an input material for acetic anhydride manufacturing and aceticanhydride is further used for manufacturing of paracetamol . That is one. And yes, are right, there was increase in the prices of acetic acid. But yes, if you talk about the prices of the paracetamol, they are almost near to the flat like previous quarter.

Varun Sanghavi: Okay, sir. So I am just trying to quantify the price would have hovered around INR 400-425 X IOL, if I am correct.

Abhay Raj Singh: So prices, I think, are not fair for us to discuss because the prices are not related to the one aspect, that depends geography to geography , customer to customer and on the different specifications

also. So normal prices, what are there, you can very well understand from the market. We have various prices, so I think, not fair for us to discuss on the exact prices.

Varun Sanghavi: Got it, sir. And how about the competitive landscape around the paracetamol drug do you see in India?

Kushal Kumar Rana Competitive, I think in paracetamol also, we are fully backward integrated and like you can see we are making acetic anhydride. We are making Para-Amino Phenol also. So I think as far as product competitiveness is concerned. I think we are well positioned with respect to the product competitiveness.

Varun Sanghavi: Understood, sir. The last question on this. As far as you said that you are fully integrated on the PAP as well as acetic anhydride what sort of I mean gross margins do we enjoy in the Paracetamol more specific business because it's not a very high-tech business as a vertical. So I just want to understand how much of the value attrition happens because we are reverse integrated into this?

Abhay Raj Singh: So, Varun, again, we never discussed the product to product basis profitability and the EBITDA. Chemical and pharmaceutical businesses, we always discuss. So this product is profitable, that is what we can share as of now.

Varun Sanghavi: Got it, sir. Any plans to increase our paracetamol capacity further from 10,800 metric ton?

Kushal Kumar Rana: We are planning to optimize up to 100% level first because infrastructure is already there.

Varun Sanghavi: Got it. A couple of questions. This is last one. As compared to the last quarter, which is Q2 FY26 versus Q2 FY27. How much of the price increase has happened at a per kilo level for API approximately? I just want to ballpark number.

Abhay Raj Singh: No, there are multiple products and the price ranges from a few hundreds to thousands. So I think how this is going to be -- and the capacities and volume level will be different. I think this is a very difficult question to answer, perhaps we will not be able to answer this questions also.

Varun Sanghavi: Understood. Again, heartiest congratulations on a great set of numbers.

Moderator: The next question is from the line of Shaikh Mohammad, an Individual Investor.

Shaikh Mohammad: Many congratulations for an excellent set of numbers. My question is Stallion Group have closed their plant in Europe. So what kind of advantages we are getting from it or any effects of that on paracetamol pricing and plant utilization? And also how we are utilizing -- how we are using acetic anhydride?

Abhay Raj Singh: Mr. Mohammad can you please repeat the first part of the question?

Sheikh Mohammed: First of all, what are the advantages or any advantages we are getting from Stallion Group plant closer, acetyl plant closer, and effect of that on paracetamol pricing and plant utilization? And

also the acetic anhydride utilization. We are also using in paracetamol production and also we are selling it outside.

Kushal Kumar Rana: I think you told that Stallion plant for acetyl is closed. So probably there is nothing to do for acetyl chloride with paracetamol. When we are talking about the paracetamol, Acetic Anhydride is the input material for it. Acetyl, we have our own manufacturing and that is used as a input material in my Ibuprofen production.

Sheikh Mohammed: Yes, you are right, but the prices of Acetic Anhydride have also increased because of that plant closer. So, can we export that the material we are using consuming in our plant, some material we are also expecting means do we and consume entire acetic anhydride in paracetamol production only or we have some extra?

Kushal Kumar Rana: So as far as acetic anhydride is concerned, we have the capacity of the plant and almost some quantity of it is used for the in-house consumption in three products. One is my paracetamol, other one is ibuprofen, and third one is my pantoprazole and rest of the quantity is going for the merchant sales. Currently around -- maybe 50 tons we are selling per month for the merchant sales.

Sheikh Mohammed: So, do you do you see any advantage we will get from that Stallion plant closer?

Kushal Kumar Rana: No, probably I think it will be very -- means it will not be the right answer. We don't have the right answer for this question. Sorry.

Sheikh Mohammed: Okay, sir. Sir, we have given the guidance of [inaudible 1:02:13] for top line and 14% to 15% EBITDA margin. So, do you want to rise guidance in terms of any top line or bottom line?

Abhay Raj Singh: It is not the 20,000, it's around 2700[inaudible 1:02:30].

Sheikh Mohammed: No, [Inaudible 1:02:32]

Abhay Raj Singh: Yes, so it is little better from the 2700, initially. You are right, we said that the 2700 by FY27. So, I think we will surpass with the sufficient margin that guidance. And we are revising that. We've also given in the presentation also at 25 plus we may achieve and EBITDA margin should be something around 14% to 15%.

Sheikh Mohammed: Okay. Sir, do we have started triacetin in export?

Kushal Kumar Rana: Yes, yes, the plant has started. We received the REACH.

Abhay Raj Singh: Yes, we have received REACH, and we have started…….. I think commercial orders have not been done so far, but the development has…

Kushal Kumar Rana: We are discussions with the customer. and to the extent some of the customers are visiting our facility first. That is why it will be taking time.

Sheikh Mohammed: For many products, we are having too many process approval for CEP. Does that have advantage?

Kushal Kumar Rana: So basically, yes, it has the advantage because in some cases, we are getting better quality, and the customers are billing full to get that better quality of the product where you can have the mega level of imparities. So, depending on the customers' requirement, we are developing the processes and then finally going for the -- I mean development at R&D scheme, because in some cases, the customers are coming up with their own specifications.

So, to make out those specifications, we have to develop the process. And then finally, to sell that material to that customer, we need the CAP approval also. So that is why we have to go with the alternative process. Do you think as a company now we have to think about go for backward integration of acetic acid, is it possible?

Kushal Kumar Rana: As of now, probably no.

Sheikh Mohammed: Okay. That was my last question. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.

Rakesh Mahajan: Thank you, everyone, for your questions and engaging in for today's discussions. To conclude, we are anchored by our performance during the first half of FY27. And progress across our pharmaceutical and chemical businesses. The sustained growth in our diversified API portfolio, improvement in business capabilities and continued focus on operational efficiencies, respect to the strengthening fundamental of our business.

Looking ahead, our priority remains focused on scaling our existing businesses, executing the announced strategic investments, and strengthening our manufacturing and backward integration capabilities. With our established manufacturing capabilities, diversified product portfolio, and disciplined approach to growth, we remain confident in our ability to build a stronger and more resilient business and deliver sustainable long-term value for all our stakeholders. So, on behalf of the management, I thank all our stakeholders for their continued trust and support. For further queries if any please feel free to contact our IR team. Thank you and have a good day.

Moderator: Thank you. On behalf of MUFG Investor Relations, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.