



28th May 2026
IOLCP/CGC/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 Conference Call, post declaration of Financial Results Q4 & FY26

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 22nd May 2026 post declaration of financial results for the quarter and year ended 31st March 2026.

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

“IOL Chemicals and Pharmaceuticals Limited
Q4 FY '26 Earnings Conference Call”

May 22, 2026



IOL Chemicals And Pharmaceuticals Limited



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

MODERATOR: **Ms. PRACHI AMBRE – MUFG INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to the IOL Chemicals and Pharmaceuticals Limited Q4 FY26 Earnings Conference Call, hosted by MUFG Intime Investor Relations. As a reminder, all participant lines will remain 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 the conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Ms. Prachi Ambre from MUFG Investor Relations for opening remarks.

Prachi Ambre: Thank you, Ryan. Good afternoon, everyone, and welcome to IOL Chemicals and Pharmaceuticals Limited Q4 and FY26 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, Finance Advisor and Strategic Head to provide insights on the company's operational and financial performance.

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 so much, Prachi. Good afternoon, everyone, and welcome to the Q4 FY26 Earnings Conference Call of IOL Chemicals and Pharmaceuticals Limited. Thank you so much for joining us today and for your continued trust and support.

We truly appreciate your time and your interest in the company. I hope you have had an opportunity to review our financial results and investor presentations which have been uploaded on stock exchanges and the company's website. FY26 has been a good year for the company, marked by consistent operational execution, improving efficiencies and healthy progress across both pharmaceuticals and chemical businesses.

Despite continued geopolitical uncertainties and volatility across global markets, the company maintained strong business momentum and resilient growth. Q4 FY26 was particularly encouraging for us as the company reported its highest-ever quarterly revenue, supported by cost optimisation, improving product mix and enhanced capacity utilisation across key product lines. More importantly, the quarter also reflected meaningful improvement in profitability, in line with the operational direction and efficiency focus we have been consistently working towards.

Within pharmaceuticals, the non-Ibuprofen API continued to witness healthy traction with key products such as Paracetamol, Metformin, Clopidogrel, Pantoprazole and other APIs in improved demand across markets. The company further strengthened its non-Ibuprofen segment through the launch of Minoxidil and the expansion of Pantoprazole capacity to cater to growing demand. This reflects the steady progress of our diversification strategy and operational strength.

Our chemical business also delivered a strong performance during the quarter with improvement in both realisation and profitability, supported by stable demand conditions and operational efficiencies. Also, the capacity enhancement in products such as ethyl acetate and acetic anhydride, along with the recent commissioning of Triacetin, will further strengthen integration and supply chain efficiencies.

During the year, the company continued to invest towards capacity expansion, process automation, infrastructure enhancement and operational improvements while maintaining a disciplined approach towards capital allocation and balance sheet management.

Overall, the year reflects consistent execution of our long-term strategy, improving business fundamentals and continued focus on building a stronger and more diversified platform for sustainable growth.

With that, I now invite Mr. Pradeep Khanna, our CFO, to take you through our financial performance for Q4 and FY2026.

Pradeep Khanna:

Thank you, Mr. Abhay. Good afternoon, everyone. I will now share the financial performance for the quarter and full year, following which we will open the floor for questions and answers.

During Q4 financial year 2026, the company reported a strong top-line performance with revenue from operations of INR619 crores as compared to INR528 crores in the corresponding quarter last year, reflecting a year-on-year growth of around 17.4%. For the full year financial year 2026, revenue from operations stood at INR2,319 crores, representing a growth of 11.5 percentage year-on-year.

On the operating front, EBITDA for the quarter stood at INR94 crores as against INR68 crores in Q4 financial year 2025, registering a growth of nearly 40%, while EBITDA margin improved by 251 basis points to 15.2%. For the full year of financial year 2026, EBITDA increased by around 29% to INR290 crore, with margin improving to 12.4% from 10.7% in the previous year.

Coming to the bottom line, profit after tax for Q4 stood at around INR53 crores as compared to INR32 crores in corresponding quarter of the last year, witnessing a growth of 68 percentage, with PAT margins improving by 262 basis points to 8.6 percentage.

For the full year financial year 2026, PAT increased by around 36% to INR138 crore. The stronger bottom line performance was supported by improved operating profitability and efficient working capital management, leading to healthy cash generation.

During financial year 2026, the company incurred capex of around INR160 crores towards capacity expansion, operational improvements and infra enhancement, and were funded entirely through internal accruals, reflecting disciplined capital allocation.

Going ahead, the company remains focused on sustaining growth momentum through increasing contributions from the non-Ibu portfolio, higher utilization of recently commissioned capacity and continued improvement in operating efficiency. We remain confident of delivering mid-teens to high-teens revenue growth over the medium term, along with gradual improvement in

EBITDA margins from the current trajectory, supported by operating leverage and efficiency enhancement.

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

Moderator: Thank you, ladies and gentlemen. We will now begin the question and answer session. The first question is from the line of Jainam Ghelani from Svan Investments. Please go ahead.

Jainam Ghelani: Hi sir, congratulations on a good set of numbers. So, sir, we have acquired 100 acres of land near, Bhatinda Highway. So, sir, any timeline as to when do we wish to do the new capex and what could be the quantum of that capex? Like, since it's such a huge line, I'm sure we have a mega project in mind. So any estimates on that, sir?

Abhay Raj Singh: Thank you so much, Jainam, for asking this question. As I think we also discussed these questions in the last few conferences. So the new land is being under the regulatory approvals as of now, few regulatory approvals we have already secured and few are awaited. Environmental clearances is also done, and I think we are expecting this project to come up in next six to eight quarters, or maybe four to six quarters.

The investments -- I see the model at that land is going to be more or less similar of the existing IOL's Plant. Mix of chemical and the API and I think we always keep on saying that the Capex we are doing, we will be doing through internal accruals. And on an annual basis, we will be doing around INR200 crores to INR250 crores because the development will be in a gradual and phased manner. The whole investment will be completed in the next four to five years.

Jainam Ghelani: Okay. So almost we can say, like, almost INR1,000 crores with the broad -- we have broad mind set we have total outlay?

Abhay Raj Singh: Broad mind set, yes. Broad mind set is around INR1,200 crores to INR1,400 crore.

Jainam Ghelani: Okay, INR1,200 to INR1,400 crore. Okay. And sir, in this quarter, our gross margins have improved substantially. So do we expect the margins to be in the like in this particular range, or is it -- was it a one-off because the prices increased and it was an inventory gain for us in this quarter, and going ahead we should return to our normalized gross margins of 35%-36%?

Abhay Raj Singh: No, no, this is not the way we can read the numbers. The numbers are the result of everything. This is mainly because of the operational efficiencies from our side and good traction in the non-Ibu. The Ibu also performed well. And if you see the capacity utilization for all these products and including Ibu for last quarters and even before that also, we were doing well and we kept on saying all these things.

The change what has been in this quarter is the uptick in the prices and because we were having all volume, so little bit uptick in prices resulting into those numbers. But inventory, I don't think that we were having any meaningful inventory gain in that quarter because the uptick, I think, was in later part of the quarter. We are hopeful that this will remain around, at least, next one or two quarters as well. But see, if the prices are going up for the finished products, the prices of raw materials are also going up. So, I think this is not that we are not passing the raw material

prices, we are also passing through the raw material prices to the customers as well. But I think the more result is due the company's efficiency, the product mix and the capacity utilization.

Jainam Ghelani: Okay. So, sir, in our previous concall, we had mentioned that for FY27, we should see 10% to 15% revenue growth and 15% to 20% improvement in PAT levels. But I think, do we maintain that or I think we upgrade that? Because if you're saying margins can be in 14%, 15% range, so can you comment on that?

Abhay Raj Singh: I think we are still maintaining that. I think, the quantity..., actually when we given that improvement this year, we said the 27 by 27. We are very sure about that, we will be achieving it, I think we will be remaining to that level, perhaps little bit improved. But on a conservative side, we say 27 by 27, this, I think it's around mid to high teen growth numbers.

Jainam Ghelani: Okay. So almost 15% to 20% revenue growth and EBITDA margin 14% to 15% range.

Abhay Raj Singh: Around 16% to 18%.

Pradeep Khanna: We expect 15% growth in top line. It may be more or 1%, 2% more or less. And for EBITDA margin, we expect 14%.

Jainam Ghelani: Okay. That's it from my side, sir. Thank you.

Moderator: Thank you. We take the next question from the line of Maulik Varia from 360 One Capital. Please go ahead.

Maulik Varia: Hi, sir. I hope I'm audible. Congratulations on a good set of numbers. Sir, just wanted to understand, so we've seen growth across chemicals and pharma segment. So in terms of products, which you mentioned, Paracetamol, Clopidogrel, Pantoprazole, Metformin, so how much was the volume growth in these products, which drove this growth? And along with that, how was the volume growth for our other products as well, which is ibuprofen and the chemical side?

Rakesh Mahajan: The product which you have just mentioned in the -- just you have named, all our existing products, including ibu, metformin, clopidogrel and fenofibrate, they are running almost at 85% to 95% capacity utilization. This is a quarter and year as a whole. It is around 90% average capacity utilization. And for recently added enhanced capacity of paracetamol, we have achieved around 55% capacity utilization on enhanced level.

So as regard to our chemical in which we are producing acetic anhydride and ethyl acetate, they are also running at almost 100% capacity utilization, 98% to 100% capacity utilization even after increasing their capacity also.

So major portion of increase in revenue is from increase in capacity utilization and the sale of these products in addition to a little bit hike in finished goods prices, but that prices are also complemented by increase in raw material prices also..

Maulik Varia: Okay. Okay, sir. Sir, just a follow-up on that. Sir, we were seeing a little bit of weak demand in the previous year. And then last two, three quarters, you had guided that the demand is expected

to revise and that's what has happened, and we've seen that in the numbers as well. So can you, sir, directionally or qualitatively help us understand that what had led to the weaker demand? And what is driving this demand? And if this demand will be sustainable in the coming four to six quarters?

Rakesh Mahajan: There is -- as we have mentioned earlier that the demand is not in every product, but in specific like in ibuprofen around three, four quarters ago, the demand was lower due to overstocking of product ibuprofen in 2023-2024 -- year 2023 and 2024. But for -- and entrance of new product -- new peer also in the market. But we were expecting that demand will be stabilized after destocking at these levels.

And we were expecting these demand of especially ibuprofen from October 2025 onwards, and that has happened. And we anticipate that this level will maintain upcoming four to six quarters. And then, as regard to IOL, our paracetamol capacity will -- expect it to rise to around 75% in current financial year, from 55% to 75%.

Maulik Varia: Okay. We are expecting capacity utilization increase from 55% to 75%.

Rakesh Mahajan: For paracetamol, and for other products, it will be at optimum capacity of 85% to 95%.

Maulik Varia: Okay. Okay. Sir, just one last question from my end. You, I think, mentioned that the price increase happened in the later end of the quarter, and we do not see a lot of benefit from the price increase. So is that benefit expected in Q2 -- sorry, Q1? And are we expecting that the price -- I mean, I'm pretty sure the prices of raw materials also would have increased proportionately, so will there be any benefit in Q1? Or will that be passed in Q1 itself to the customer?

Rakesh Mahajan: As a philosophy, we discuss with our potential customer and also for increase in prices of finished goods along with -- corresponding to the increase in the prices of raw materials. And a certain portion of increase in cost has been passed to the customers also. So we are expecting -- because we are mostly supplying to the direct consumers, not to the traders, so the scope of getting the abnormal gain from the price is limited.

Maulik Varia: Okay. Okay. Okay. So these gross margins are broadly sustainable is what you're alluding to? Am I understanding it right?

Abhay Raj Singh: So basically, you need to know the quarter-to-quarter basis. However, we have more interest on discussing the full-year basis. So if we -- because quarter-to-quarter basis predictions is very complicated and is very risky to say about that considering so much of dynamism globally happening. So I think leaving from the quarter-to-quarter basis, if we see the -- annually, we are very hopeful that we will be improving the EBITDA number as well as the sales number as compared to the FY26. And that level will be -- growth-wise, in top line, we assume something around mid to high-teen, and the EBITDA is something around, like Pardeepji just said in the previous question, around 14% to 14.5%.

Maulik Varia: Okay.

Abhay Raj Singh: So this will be translating into the annual terms.

- Maulik Varia:** Okay. Understood, sir. Okay. Thank you for answering, sir.
- Abhay Raj Singh:** For -- yeah, for every quarter cannot be the same. Yes. Thank you so much.
- Maulik Varia:** Okay. Okay. Thank you, sir. Thank you.
- Moderator:** Thank you. We take the next question from the line of Sachin Kasera from Svan Investments. Please go ahead.
- Sachin Kasera:** Yeah. Good afternoon, sir, and congratulations on a good set of numbers. My first question was regarding Ibuprofen. So one of our other listed peers, they have mentioned that the prices are not remunerative and not making margins there. And hence, they want to close down. So is that an issue specific to maybe that player whereby their cost of production or commercials are not intact? Or are you also experiencing such type of scenario where the margins in Ibuprofen are under severe pressure?
- Abhay Raj Singh:** No, not at all. I don't know what they are feeling or their concerns are. But regarding the IOL, this is one of the best product, and that is witnessed by the capacity utilizations we are doing now and for last few quarters. So we are having around 90%, 95% capacity. And for the next two, three quarters, we are not foreseeing any problem or any conditions where we should be worried about this product, we are maintaining our leadership globally.
- Sachin Kasera:** Sure. Second question was, we understand that the spreads in acetic business of yours, ethyl acetate, has moved up from \$110, \$120 to -- it did spike to \$200 plus, but now stabilized around \$150, \$160, which is in line with historically. So is that understanding correct? And what is your view and comment on the spreads there?
- Rakesh Mahajan:** Can you repeat your question?
- Sachin Kasera:** I'm saying we have understand that in your chemical business, the spreads have improved by almost \$40, \$50 per ton. Is that understanding correct? And what is your view and comment on the sustainability of these improved spreads if in case they improved in the chemical part of the business?
- Rakesh Mahajan:** In ethyl acetate, we have increased our capacity from 1,10,000 to 1,20,000 tons or so. And that is also running at around 98% to 100% capacity utilization. Some of the figures you have mentioned is contributed by the capacity utilization on an enhanced level and a little bit also contributed by the margin expansion from ethyl acetate due to increase in ethyl acetate prices
- Sachin Kasera:** Is my understanding correct that currently, the ethyl acetate margins are running much better than they were in the March quarter for the month of at least April and May? Is that understanding correct, sir?
- Rakesh Mahajan:** It is absolutely correct.

- Sachin Kasera:** Sure. My next question is, sir, regarding the spend on R&D and our performance in terms of new product launches that we plan to launch in the Pharma business. And also, we have been looking at increasing our revenues from the developed markets because there the margins are better. So can you tell us how is the progress happening there? And are there any exciting new products that we are looking to launch in the next one, two years? And plus how is the progress on increasing the share from the developed markets in the pharma part of the business?
- Abhay Raj Singh:** So for pharma business, we are covering -- approximately more than 80 countries worldwide. And this includes Europe, Brazil, LatAm countries, these are the countries we are already covering. And relating to the non-ibuprofen portfolio, which we are maintaining, our exports is underway we have the CEP for all the products, and we are in touch with many customers relating to increasing export.
- So I think we will be increasing export, and export numbers will be increasing in this financial year as well for non-ibu products. For ibu, we are already having around more than 40% -- 50% export as of now, that will also be increasing. And yes, this is the export ...
- Sachin Kasera:** My question was most -- developed markets of Europe, we are seeing...
- Moderator:** Sachin, I do apologize to interrupt you, but your audio is not clear.
- Sachin Kasera:** Is it better now?
- Moderator:** This is better, please go ahead.
- Sachin Kasera:** My question, sir, was more specific to the revenue contribution from developed markets like U.S. and Europe. I understand that the exports you mentioned are increasing from other markets...
- Abhay Raj Singh:** No. So realization, Europe as compared to -- because there was a lot of disturbances, so I'm just repeating the question. You are asking that the realization with the domestic sale versus the Europe or the Europe versus...
- Sachin Kasera:** No, no.
- Moderator:** Sachin, are you there? Since there is no response, we will move on to the next question, which is from the line of Vignesh Iyer from Sequent Investments.
- Vignesh Iyer:** Hello. Am I audible?
- Moderator:** Yes, Vignesh, please go ahead.
- Vignesh Iyer:** Yes. Sir, so my first question is on the increase in realization that we are seeing across different products, primarily ibuprofen and paracetamol, I wanted to understand if we are seeing a higher realization coming from our export business? Or are we seeing the price increase also domestically? And if you could quantify, I mean, what -- how much percentage increase that prices that we have seen compared to -- from February to, say, now at this point of time? If you could...

Abhay Raj Singh: So I think pricing effect will be more in the coming time because as we said and discussed the pricing, the last quarters were not very ---- in the later part of March. And this is not only the prices of the finished products are increasing, the raw material prices are also increasing. So I think we should not bank upon the increase in the prices only. This is result of the company's efforts for last few quarters and rather few years where we are working, improved operational efficiency, better assets utilization.

Obviously, the market uptick has also contributed to the good set of the numbers as well. Relating to the product-wise prices contribution, I think that will not be possible for us to discuss the product prices and their exact contribution, so we will not be able to quantify that.

Vignesh Iyer: So I didn't want the exact number. I wanted to just understand the spread has improved for us despite the increase in COGS. Are we getting a like faster -- higher realization versus a higher increase in raw material?

Abhay Raj Singh: Vignesh, the spread, I think, is more or less same, or might be a little bit increased because whatever the prices has been increased, the same is also being adjusted into the -- finish product. So not much, we can say that the spread is not much.

Vignesh Iyer: Okay. Sir, one last question from my side. I wanted to understand the -- in case of procurement of raw material, is there any issue on that side -- I mean, on the supply chain side that we are not able to procure the raw material for some reason? So if you could -- because there are a lot of companies who are facing such issue.

Rakesh Mahajan: In the first week of March only, we have faced some crude-based chemical and gas, which are provided by oil marketing company, the government refineries. But within one week, they have developed some metrics where they started supplying to all the manufacturers on a certain pro rata basis. So except one week, there was no difficulty in getting the raw materials.

Vignesh Iyer: Okay sir. I'll get back in the queue. Thank you.

Moderator: Thank you. We take the next question from the line of Surabhi from NV Alpha Fund Management. Please go ahead.

Surabhi: Congratulations on a good set of numbers. So my first question is if you could throw some light on how much contribution has come in terms of revenue from ibuprofen and non-ibu segment? And within the non-ibuprofen segment, you mentioned that we have CEPs for all products. So have we started exporting to the European nations? And so what is the contribution to the European nations from the non-ibu products?

Abhay Raj Singh: Thank you, Surabhi, for asking question. I would like to take the first part of question, contribution from the ibu and the non-ibu within the pharma. this is around 62% for this quarter contributed through ibu, and remaining around 38% from non-ibu. And the non-ibu products exports yes, we started and -- actually, we started it two years, back and on yearly basis this is increasing. And we will be having better export numbers for non-ibu products in this current financial year. So we are expecting that we should achieve around 25% in this FY 2027.

- Surabhi:** 25% of exports to regulated markets from non-ibuprofen, is that right?
- Abhay Raj Singh:** Correct. Yeah, that's right.
- Surabhi:** So currently, we are not doing as much regulated markets?
- Abhay Raj Singh:** In non-ibu, we are doing, but as compared to the overall, not very much.
- Surabhi:** So are the margins depressed till that extent because once you start exporting to the developing nations like European nations, the margins has the scope of increasing further. Is it possible?
- Abhay Raj Singh:** Yeah, it is possible. It has the scope because export realization is better than the domestic sales, but that depends product to product. Some products have Better realizations and some have a little -- it is not the significant. Like for example, if we take an example of clopidogrel, it can be significant. But in case of others, it may not be very significant.
- Surabhi:** Okay. And just one last question from my side. A previous participant also asked a major competitor from ibuprofen is looking to sell its assets. And they were largely in longer-term contracts in the regulated markets. So is it possible that some of those regulated markets, long-term contracts, will you have -- will you service those contracts?
- Abhay Raj Singh:** Surabhi, I think last part of the question I could not understand. What I understand is that you are saying the long-term contracts for the customers, which is being catered by some other player relating to the ibuprofen, is that possible that can be taken by iol, it is possible. ---marketing team -- our marketing team continuously works on those things, I'm sure they will be taking care of all these things.
- Surabhi:** Okay, sir. Thank you. Thank you. That's all from my side.
- Abhay Raj Singh:** Thank you.
- Moderator:** We take a follow-up question from the line of Sachin Kasera from Svan Investment.
- Sachin Kasera:** Yes sir. Audible now?
- Abhay Raj Singh:** Yes, Sachinji.
- Sachin Kasera:** So my question was, sir, regarding how are we looking to increase the revenue from regulated markets of U.S. and Europe? How has been the progress in the last year? And how do we look to improve that in the coming next one to two years?
- Abhay Raj Singh:** We're discussing the same with Surabhiji, in previous question. See, for ibuprofen, we are already doing around 45% of the exports, and that mainly include Europe and relating to U.S. on ibuprofen, we are doing, but not directly, we are not doing directly in much quantity. We are doing it indirectly because U.S. already has facilities relating to ibuprofen, and there is not much difference, whether we are selling in Europe or in U.S., it was -- around 20 years back, the generic products in U.S. were getting more prices, but that is not the case now. And relating to

the non-ibu, as of now, we are having around 20% export share and 80% comes from domestic share.

So, we are focusing to increase this 20% share into the developing countries, mainly Europe because we have a very good customer base in Europe, and it indirectly also goes to the U.S. We also have [inaudible 00:36:48].

Moderator: Ladies and gentlemen, we have lost the line of the management. Please stay connected, while I reconnect the management. Thank you. Ladies and gentlemen, we have the management line reconnected. We'll take the next question from the line of Sachin Kasera of Svan Investment. Please go ahead.

Sachin Kasera: Yeah, sir. My question was regarding R&D. How much we are planning to spend this year? And what are the new good products we are looking to launch in the current financial year? And maybe if you can throw some light also on the next financial year.

Abhay Raj Singh: Sachinji, in R&D, we are having around 2% to 3% expenses annually. And there are a lot many products we are working on, the R&D is basically relating to the process, it's not the product development R&D. We are having R&D for -- in process-based R&D. R&D has basically two sort of the functions in the company, number one, to validate the process for the upcoming products we think for, and the second is the ongoing products we are having. So R&D keeps on working continuously for various products. But I think the product pipeline, we are having a very great pipeline, but normally, we announce the product when we decide to go ahead.

Sachin Kasera: Sure. But any exciting products you're planning to launch this year, which you think can be a meaningful contributor going ahead?

Abhay Raj Singh: I think we can expect.

Sachin Kasera: Sure. Next question is regarding the capex. What is the capital expenditure for the current financial year at the existing site as well as the greenfield site? And this INR1,200 crores to INR1,400 crores of capex in greenfield, can you share some more details with us how much time we are looking to do it? And what type of products are we looking to put up there?

Abhay Raj Singh: Sachinji, for greenfield, there has not been much capex as of now. It has not been initiated except the -- infrastructurally, developing the plant boundary creations, et cetera, the plant is under various approval-seeking stage. We have procured certain approvals like environmental approval is already in place. And apart from that, there are many more approvals in the process, and we are hopeful that in the next three to four months, we will be able to secure most of them and we will start working there on.

So the capex is not initiated as of now. And as before -- I mean, during this call also, we discussed that we will be doing around INR200 crores and INR250 crores capex on annual basis at this new site as well, because we will be having more or less same model that we are having now. And all the projects will be coming up in next four to five years.

- Sachin Kasera:** Sure. This INR200 crores capex in the current year, sir, is focused on efficiency or it is also some existing products where we're looking to increase capacity? Or is it for some new products? Can you give us some understanding on this INR200 crores of capital expenditure planned for financial year 2027?
- Pardeep Khanna:** It is a mix of both, both for growth and infra developments and efficiency improvements. So generally, we are doing 60% growth and 40% for development of infra and automation and land procurement. So generally 60% on growth activities.
- Sachin Kasera:** But large part of this capex is for pharmaceuticals. Is that fair understanding?
- Abhay Raj Singh:** Yes, yes. Yes.
- Sachin Kasera:** And sir, in one of, I think, previous questions, you mentioned that the capacity utilization in paracetamol is 55% currently. Did I hear that correct?
- Abhay Raj Singh:** You hear it correct, but need to understand the background also, because 55% is of the recently increased facility, this is of 10,800 MT. Earlier, we were having 3,600. That was running at around more than 100%. So from 3,600, we enhanced 10,800. So this 55% utilization we are talking about is of the new plant having the installed capacity of 10,800. If we compare year-on-year basis, the 3,600 we were having previously, now we are having close to 11,000. So this 55% is of that new plant.
- Sachin Kasera:** And how do we see this in the next two to three years? Should we look at the way we are looking? Demand, we are looking at two to three years this reaching full capacity, 10,800 tons.
- Abhay Raj Singh:** We are hopeful that we will be reaching to around 70% to 75% capacity utilization in FY 2027 itself. And I think in FY 2028, we will be having the full capacity utilization by that time.
- Sachin Kasera:** And sir, with the 3x increase in capacity, is the cost become better and we have passed that on? Are we able to get some better margins? If you can comment a bit on that.
- Rakesh Mahajan:** The existing -- this paracetamol plant is fully automatized. And because we have started around three, four quarters ago, the increase in the capacity utilization will result in the lower cost of production.
- Sachin Kasera:** Sure, sir. That's very good and very positive outlook, and all the best, sir.
- Rakesh Mahajan:** Thank you.
- Abhay Raj Singh:** Thank you so much, and sorry for this hiccup during the call.
- Moderator:** Thank you. We take the next question from the line of Harshit Singhania from RoboCapital. Please go ahead.
- Harshit Singhania:** Am I audible?
- Abhay Raj Singh:** Yeah.

- Harshit Singhania:** Yeah. Thank you for the opportunity, and congratulations on a great set of results. So I was just trying to understand like according to the capacity increase, what would be approx like maximum revenue potential be right now?
- Rakesh Mahajan:** For which product?
- Harshit Singhania:** Like on the overall plant?
- Rakesh Mahajan:** We have already discussed that we are targeting around INR2,700 crores in the next FY 2027. And we are expecting around 15% annual growth for top line every year on the existing level.
- Harshit Singhania:** So is like INR2,700 crores our top capacity right now, top revenue potential as of the current capacity?
- Abhay Raj Singh:** No. I think the answer Mahajan ji has given is relating to how we are going to grow. But what you are asking is what is the maximum possible revenue can be generated from the existing capacities, if I understand you correctly. Is that correct?
- Harshit Singhania:** Yes, yes. That's correct. Yes.
- Abhay Raj Singh:** So I think having -- considering the -- if we achieve 100% for all, this will be around INR3,200 crores to INR3,300 crores.
- Harshit Singhania:** Okay. Great. I think that'll be it from my side. All of my other questions have been already answered. Thank you so much.
- Abhay Raj Singh:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Kenil from Boring AMC. Please go ahead.
- Kenil:** Sir, would like to know what type of customer base do we cater for the regulator market? Are the generic giants, European generic giants or U.S. giants or innovators or OTC, big OTC players or they are small scale manufacturers?
- Abhay Raj Singh:** Our customer base is all A-grade customers, the top customers we have in the pharma, though they are into the both, generic as well as the branded products, you call OTC. So they are the mix of it.
- Kenil:** Understood. And sir, I would like to know your strategy on scaling products, which we have got approvals for across regulated and unregulated markets for which we had made investment over last few years and which are getting approvals right now, not metformin, ibu, para. Any other products which you think can scale up to that level, such as allopurinol or anything, INR300 crores, INR400 crores levels?
- Abhay Raj Singh:** INR300 crores, INR400 crores level you are talking about? So the para...
- Kenil:** Yes. Any product you think you can scale up.

- Rakesh Mahajan:** I think this is the product you have mentioned that, paracetamol, metformin, they are commodity products with high volume, but whereas the other products like clopi, panta, feno, they have the potential of around INR100 crores to INR150 crores in the upcoming two years.
- Kenil:** Okay. Okay, clopidogrel, pantoprazole.
- Rakesh Mahajan:** Pantoprazole. Yeah.
- Kenil:** Okay. Understood. And sir, the Indian company, which is selling its ibuprofen asset, are you interested in it in taking the assets so you can get more clientele, which were not under your basket?
- Abhay Raj Singh:** I think we cannot comment on this sort of a question because of the regulatory as well as we are not sure about it or anything. We perhaps will not be able to comment on it.
- Kenil:** Understood. But what's your view on that asset? Is it as a competitor?
- Rakesh Mahajan:** We could not understand. Can you please come up -- come again?
- Kenil:** Would like your view on that asset, whether it is good or it's a subscale asset compared to...
- Abhay Raj Singh:** No comments there.
- Kenil:** Okay. Understood. Understood. No question forward. All the best for the future.
- Abhay Raj Singh:** Thank you. Thank you so much.
- Moderator:** Thank you. We take the next question from the line of Vandit Dharamshi from Anantra Growth Capital. Please go ahead.
- Vandit Dharamshi:** Congratulations sir on a very good set of numbers. I just had one question particularly on pharmaceutical side. Could you please give some kind of directional margin numbers that you would do for say Ibu and non-Ibu business?
- Abhay Raj Singh:** Company as a blended, we discussed, top line. We expect that next financial year, we can achieve around mid- to high-teen revenue, and we would like to have ---- maintain the better EBITDA margin. But product-wise or -- it will be difficult to comment as of now. So ibu and non-ibu, we consider it as one segment. We do not share the number what ibu is giving.
- Vandit Dharamshi:** Okay. Okay. No problem, sir. But would it be safe to assume that it would be around the company average EBITDA margin as pharmaceutical as overall business for both these segments?
- Abhay Raj Singh:** Overall, blended margin for this year is 12.4%. And what we expect for the next year is around 14% to 14.5%.



- Vandit Dharamshi:** Got it, sir. And last question, more on ibu business directionally. While you spoke about we're looking at exports, do you think there can be some growth in this business for the next two, three years?
- Abhay Raj Singh:** Yes. Definitely, we can have. We can expect some growth into ibu also because still there is a little bit scope of improving the capacity as well as the export market.
- Rakesh Mahajan:** And the annual growth rate of 3% to 4% every year for ibuprofen demand also.
- Vandit Dharamshi:** Okay, Okay. Got it. Thank you so much. Best of luck.
- Rakesh Mahajan:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Ruchi from Vora Family Office.
- Ruchi:** Am I audible?
- Abhay Raj Singh:** Yes.
- Ruchi:** Yeah. Okay. Sir, my question -- most of my questions are quite clear right now, but I just wanted to understand we are almost to the -- we completed 2 months of the first quarter. And of course, when you said that you cannot analyze quarter-on-quarter. But how far do you see the company's position for the next 3 to 6 months from now considering the geopolitical situations also?
- Abhay Raj Singh:** I think we will be able to maintain the momentum for next one or two quarters. But as you also accepting, we also said that it will be better if we gauge the company's performance on the yearly basis rather than the quarterly basis because so much dynamism is happening across the globe. So this is risky to comment on coming quarter or next quarter. But because we had some expectations, we also have the market study and we also know about our efforts, we also know the development relating to various customers, so on a yearly basis, we feel more comfortable to discuss.
- Ruchi:** Right. So currently, if we set a guidance for FY 2027, how are we looking forward? And what are our targets for the near-term development?
- Abhay Raj Singh:** So this is around mid-teen revenue growth we foresee we will be achieving, coupled with the EBITDA around something 14% to 14.5% for FY 2027. And I think last year, we also discussed, we will be able to achieve that number.
- Ruchi:** Okay. Perfect. That sounds great. All the very best. Thank you.
- Abhay Raj Singh:** Thank you so much.
- Moderator:** Thank you. We take the next question from the line of Maulik Varia from 360 ONE Capital. Please go ahead.
- Maulik Varia:** Hi. Sir, just wanted to check, is there any update from the U.S. FDA regarding the inspection?

Abhay Raj Singh: See, the inspection ---- U.S. FDA already made two inspections of our -- all the products are CEP approved and we also have approval from Brazil and others, so I think considering the products that we have are generics, so whenever there is products comes for this approval, I think U.S. FDA is approving that products, considering their requirement as well, even without -- without visiting us.

In that sequence, metformin was approved by the U.S. FDA and followed by the fenofibrate, and two, three product's ANDA is filed for they had certain questions, which we replied. And if they approve the ANDA of the formulator, we also get approved with that. So this is not necessary for U.S. FDA to visit us for approving. They are approving even without visiting.

Maulik Varia: Understood, sir. Thank you. Thank you for the opportunity.

Abhay Raj Singh: Thank you.

Moderator: Thank you. We take the next question from the line of Sheikh Mohammed, an individual investor.

Sheikh Mohammad: Thank you for the opportunity, and many, many congratulations for the excellent set of numbers. My question is we are making many chemicals. I heard that there is a price rise in the chemical price. But my question is what kind of business we are doing with the chemicals meant for in-house utilization?

Abhay Raj Singh: In-house utilization means they are the part of the backward integration process for the API products. In case acetic anhydride, we -- whatever capacity we are having, around 50% to 60% is being utilized captively, and remaining, we are selling into the open market. However, ethyl acetate is the product, which is 100% being used for the merchant sale because we do not have any captive -- for captive consumption of this product.

Sheikh Mohammad: Sir, what kind of price increase we have received in paracetamol? First of all, is there any price increase in paracetamol in the India or non-regulated market? Because in the -- I have read a transcript of Granules India, they have told that there is no price increase in paracetamol. Mostly, they are catering in the regulated margins, so maybe, but I need to ask this question to you also because we are also doing in India.

Abhay Raj Singh: So basically, prices -- see, prices increase was there in for -- across all the products, chemicals and API because of some disturbances globally. Logistics problems were there. The raw material prices also gone up. So to that extent, the prices were gone up in India and also outside.

Sheikh Mohammad: So are we having any inventory -- means, see the West Asia trouble started in the March month only, starting of March and the price increase...

Abhay Raj Singh: See, -- increased pricing, effect was in later part of the March, so -- and that was due to the increase in the raw material prices.

Sheikh Mohammad: In results section, I have seen there is some INR30 crores inventory. What kind of inventory we are having?

Abhay Raj Singh: INR30 crores?

Sheikh Mohammad: Inventory, INR27 crores or INR30 crores inventory.

Rakesh Mahajan: Inventory of INR371 crores.

Abhay Raj Singh: It's INR371 crores inventory, not INR30 crores.

Sheikh Mohammad: Okay. It means -- maybe I'm confusing in that. Okay.

Abhay Raj Singh: No, inventory, basically, we also maintain the inventory of the products we manufacture.

Sheikh Mohammad: Okay. Okay, okay. I don't know. Maybe I'm...

Abhay Raj Singh: Maybe we can -- you can ask this question separately as well with the details. We will be happy to answer.

Sheikh Mohammad: What is that way to asking the question after the conference call?

Abhay Raj Singh: Our presentation has the detail. In the last part of that, the e-mail IDs are provided of the IR team as well as the company's. You can ask...

Sheikh Mohammad: Sir, next question is, what are the effect of crude oil pricing in West India conflict on the company performance? Since I'm talking about logistic issues, raw material procurement issues, are there any issues, sir?

Abhay Raj Singh: I think not much issue, but the prices across the board of the -- all the raw materials has gone up to the extent that crude is having the impact. Logistics has also gone up and is going up. And some delays in the logistics across the globe. So -- to that extent, it is impacting us, but no major and no direct.

Sheikh Mohammad: Okay. Okay. Sir, do we import some materials from China?

Abhay Raj Singh: Yes, we do.

Sheikh Mohammad: Okay. Sir, regarding metformin, some key starting materials are procured from China only, right? So is there any company which is manufacturing in India -- have started manufacturing in India?

Abhay Raj Singh: As of now, no company is manufacturing.

Sheikh Mohammad: Sir, any buyback scenario you are in consideration?

Abhay Raj Singh: As of now, no, because as of now, this has not been discussed in the Board. But I think whenever this is discussed, we will -- as of now, we are focusing on the growth. If we start buying back, then growth will be impacted. you know that we also come up with another land of 100 acres. we also need to invest therein. So the funds majorly will be utilized for the enhancing the growth, we have many growth projects. So till the time we have growth projects, I think buyback perhaps may be the second option.

- Sheikh Mohammad:** So we are having lots of capacity in our growth.
- Abhay Raj Singh:** Yes.
- Sheikh Mohammad:** Sir, the purpose of Triacetin production, what is the rationale behind that? Are we using that in some API production?
- Abhay Raj Singh:** Basically, it gives us technological advantage as well as the supply chain advantage internally. So that is the basic purpose that we have come up with the triacetin.
- Sheikh Mohammad:** So where it is being consumed, Triacetin, in our plant?
- Abhay Raj Singh:** It has many uses, it's used in the food industry, pharma industry, cosmetics, perfumery. So it has wide applications. And it can also be the import substitute. It is also used into the filter -- cigarette filters. it has a lot many applications.
- Sheikh Mohammad:** Okay. Sir, next question is employees benefit expenses and other expenses are rising continuously. Because what I have observed is the employees benefit expenses around two years back, it was around INR35 crores, INR40 crores. Now, it is almost INR70 crores. So we are hiring a lot many employees, right?
- Abhay Raj Singh:** The increase you are looking at mainly because of the variable which we give next year, we have provided for this year. So that is the reason. And there is -- there is increase in the employee numbers because we have come up with the new plants as well. So that is another reason. But there is no substantial change beyond this.
- Sheikh Mohammad:** Can you give just guidance for that employee benefit expense for full year?
- Rakesh Mahajan:** Usually 10% to 12%...
- Abhay Raj Singh:** on turnover, we are having around 10%.
- Sheikh Mohammad:** 10% of revenue, right?
- Abhay Raj Singh:** Yeah. 9% to 10%.
- Sheikh Mohammad:** Okay sir. All the very best for the next future. Thank you.
- Abhay Raj Singh:** Thank you so much. Thank you.
- Moderator:** Thank you. We take the last question from the line of Kenil from Boring Amc.
- Kenil:** Sir, I had two questions. Are we planning to do some R&D on reducing our imported bill for the country? Any product you think you could indigenize over the next couple of years, which has dependency on China?
- Second, are we seeing a decreasing API assets across Europe and Western nation leading to more API demand for India and China and particularly for us over the last couple of years due to the environmental regulations getting stricter in Europe for the last 2 years?

- Abhay Raj Singh:** No, the API demand from India -- keeps on increasing on a regularly basis. So I think this momentum will remain same.
- Kenil:** Okay. No, no, I was asking there has been decreasing investment in API across European and Western nations, which is leading to any demand increase from them for our products?
- Abhay Raj Singh:** So that is what I'm saying. The demand is increasing, and we also expect the increase in the demand -- either maybe because of the reduced investment by the European countries for the last few years and investment is also coming in India and the demand from India is increasing.
- Kenil:** Okay. Understood. And any product you could -- you are planning to import substitute from China?
- Abhay Raj Singh:** In API?
- Kenil:** Yeah, in API. API, yes.
- Rakesh Mahajan:** No. No, no.
- Abhay Raj Singh:** As of now, we do not have any such product.
- Kenil:** Okay. Understood. Understood. No questions. Thank you.
- Abhay Raj Singh:** Okay. Thank you so much.
- Moderator:** Thank you. With that, we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.
- Rakesh Mahajan:** Thank you very much for joining us today and for your continued support towards the company. FY26 has been an encouraging year for the IOL with strong improvement in the operational and financial performance despite a challenging global environment.
- The progress we are witnessing across both pharmaceutical and chemical businesses, supported by improving product mix, optimum capacity utilization and disciplined execution give us confidence in our ability to sustain growth going ahead.
- Our continued focus on expanding the non-ibu portfolio, enhancing integration capabilities, improving scale across key APIs and maintaining prudent financial discipline will remain central to our long-term strategy. We believe that the company is well positioned to build on the current momentum and deliver consistent growth.
- Thank you very much. And for any further query, please feel free to contact our IR team. We would like to thank all our stakeholders for their continued trust and support. Thank you once again, and have a good day.



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