IOL CHEMICALS AND PHARMACEUTICALS LIMITED

20th August 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,
Pheroze Jeejeebhoy Tower,
Dalal Street, Mumbai- 400 001
Security Code: 524164

Subject: Transcript of Earnings Conference Call, post declaration of Financial Results Q1 FY27.

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 13th August 2026 post declaration of financial results for the quarter ended 30th June 2026.

You are requested to take the same on record.

Thanking You,

Yours faithfully,
for **IOL Chemicals and Pharmaceuticals Limited**

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Abhay Raj Singh
Sr. Vice President & Company Secretary

"IOL Chemicals and Pharmaceuticals Limited

Q1 FY27 Earnings Conference Call"

August 13, 2026

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 IOL Chemicals and Pharmaceuticals Limited Q1 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 Ms. Prachi Ambre from MUFG Investor Relations. Thank you, and over to you, ma'am.

Prachi Ambre: Thank you, Huda. Good afternoon, everyone, and welcome to IOL Chemicals and Pharmaceuticals Limited Q1 FY27 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, for the introduction. Good afternoon, everyone, and welcome to the Q1 FY27 earnings 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 presentation, filed with the stock exchanges and also available on our websites.

We have started FY27 on a strong note, with healthy demand across key products, improved capacity utilization, favorable product mix, and continued focus on operational efficiency. In the pharmaceutical division, we continue to make good progress in diversifying our API portfolio beyond ibuprofen, with healthy demand across key products including paracetamol, pantoprazole, metformin, fenofibrate, and clopidogrel, etcetera.

Non-ibu products contributed 43% of pharmaceutical revenue in Q1 FY27 compared with 36% in Q1 FY26, with revenue growing 67% year-on-year basis, and emerging as a key driver of growth in our pharma business. Importantly, this performance also demonstrates the benefits of the initiatives that we have taken over the past few quarters to strengthen our manufacturing platform and diversifying our API product portfolio.

While ibuprofen remains an important part of our portfolio, our strategic focus is increasingly on building IOL as a diversified and integrated API platform, with multiple products contributing to our growth. Our international business also strengthened during the quarter, with exports increasing to about 28.5% of revenue, while the NMPA approval for clopidogrel in China further expands our regulatory reach and market opportunities.

This progress is particularly encouraging against the backdrop of continued geopolitical uncertainties, supply chain challenges, and inflationary pressure across select raw materials. Our chemical business also delivered a strong performance during the quarter, supported by improved realizations, efficient raw material procurement, higher exports, and operational efficiencies.

Capacity's enhancement across key products lines further strengthened our integrated manufacturing platform and provide us with greater flexibility to cater to demand across key end-use industries. Going forward, our focus remains on scaling our API portfolio, improving capacity utilization, expanding our presence in international regulated markets, and driving operational efficiencies through our integrated and backward integrated manufacturing platform.

Our objective is not merely to add capacities, but to build meaningful and sustainable positions across a diversified API portfolio. The manufacturing capabilities, process expertise, and backward integration that we have developed over the years provide us with a strong foundation to scale these businesses.

With that, I would now request Mr. Pardeep Khanna, our CFO, to take you through the financial performance for Q1 FY27.

Pardeep Kumar Khanna: Thank you, Mr. Abhay. Good afternoon, everyone. I will now take you through the financial performance of the company for the Q1 of financial year '27, following which we will open the floor for questions-and-answers. During quarter one of financial year '27, the company reported revenue from operations INR756 CR as compared to INR551 crores in quarter one of financial year '26, registering a year-on-year growth of 37 percentage.

On the operating front, EBITDA stood at INR111 crores compared with INR69.5 crores in quarter one of financial year '26, representing a growth of 60.7 percentage. EBITDA margin improved to 14.6 percentage compared with 12.4 percentage in the corresponding quarter. Coming to the bottom line, PAT stood at INR64.5 crores compared with INR34 crores in quarter one of corresponding year, registering a growth of 89.9%. PAT margin consequently improved to 8.4 percentage compared with 6.1 percentage in quarter one of financial year '26.

The improvement in profitability reflects the benefit of higher operating leverage, better capacity utilization, improved product mix, and continued focus on operational efficiencies. Our export contribution also increased to 28.5% of revenue compared with 24.4% in same quarter of last financial year, reflecting the continuous strengthening of our international business.

From a segment perspective, both pharmaceuticals and chemicals contributed to overall performance supported by healthy demand, improved utilization, and operational efficiencies. Going forward, our focus will remain on sustaining the growth momentum through better capacity utilization, continued improvement in product mix, operating efficiencies, and prudent cost management. At the same time, we will continue to maintain a disciplined approach towards capital allocation and investments with a focus on projects offering attractive long-term returns.

For financial year 27, we remain confident of delivering 15% to 20% revenue growth with an EBITDA margin in the range of 14% to 15% and exports contributing approximately 25% to 30% of the revenue.

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

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

Abu Rafe: Thank you for giving me the opportunities. I just have two questions. So my first question is, given that paracetamol has seen a relatively weak demand over the past few years, what is the current outlook for paracetamol, sir?

Abhay Raj Singh: So the paracetamol for the IOL, we started around two years back, with 3,600 MTPA capacity which we tripled last year. And this was 10,800 MTPA. And as of now we are operating at around 55% of enhanced capacity, which we expect, by the end of this financial year, will be reaching to around 70%.

And if you see paracetamol is contributing significantly in our non-ibu portfolio. The demand is growing and IOL is also getting its position into the paracetamol business vertical across India. Also, we are getting traction in the exports. So we are foreseeing good demand in paracetamol.

Abu Rafe: All right, sir. Sir, my next question is, given the sharp rise in ethyl acetate and acetic anhydride prices following the U.S.-Iran war, could you please update on the current pricing environment for both these products?

Rakesh Mahajan: Due to war, the prices were increased substantially in the month of March itself, but after that it is stable to some extent. And now the prices are -- you can say not on the upward trend from the last one month. So we think that ultimately the prices of ethyl acetate and the delta between raw material and ethyl acetate will remain constant in upcoming quarters.

Abu Rafe: Thank you, sir. Thank you very much.

Moderator: Thank you. The next question is from the line of Pahel Sharma from DD Capital. Please proceed.

Pahel Sharma: Hello. Hi sir. Thanks for the opportunity. Hello

Rakesh Mahajan: Yes.

Pahel Sharma: Yes. So, sir, my first question is that export contribution increased to around like 28.5% of revenue from like from 24.4% Y-o-Y. So, like, do you see this moving towards 30% plus of revenue in the near terms or would you prefer to maintain a more balanced domestic export mix?

Abhay Raj Singh: So, I think we are targeting this year around 25% to 30% range of the export revenues and we are hopeful that we will achieve it.

Pahel Sharma: Hello. Yes, Yes, sir.

Abhay Raj Singh: You heard it?

Pahel Sharma: Yes, sir. Yes, sir. And my next question is that, like, with Q1 EBITDA margin at 14.6%, like ahead of the FY27 guidance range of 14% to 15%, so what are the key factors that could either sustain the margin above this range or lead to moderation in the coming quarters?

Pardeep Kumar Khanna: We have achieved the EBITDA margin 14.6% in this quarter. And the key factor for this rise in EBITDA margin are higher capacity utilization, better product mix, operational efficiencies, and also stronger non-ibu segment API demand. Also some improvements in the finished product prices. So these all factors contributed in the EBITDA margin.

Pahel Sharma: Okay, sir. Okay, sir. Understood, sir. Thank you so much and all the best sir.

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

Vignesh: Hello, sir. Thank you for the opportunity. Sir, my question firstly is regarding the pharma. If I see in quarter one FY27, there is around 42% growth, if I have to compare 42% if I have to compare Y-o-Y. So can I get the split of what percentage of this growth is due to volume growth and what is the percentage which is due to realization?

Rakesh Mahajan: We can't say exact numbers, but as a, you can say calculation, the majority numbers contributed by the increase in the volume of our pharma products as compared to finished prices. The capacity utilization of API products have been increased including non-ibu segments also.

Vignesh: Okay. Yes, Yes. Yes, Yes. Got it. Got it. Got it. So sir, we don't have the exact number, right? As to what percentage?

Rakesh Mahajan: We have the numbers, but it is not a, we are not –

Abhay Raj Singh: Basically, we need to understand the capacity utilization of all our assets currently operating at. Apart from paracetamol, most of the assets are operating at around 80% to 95% capacity utilizations.

And I think that is the more important factor which is contributing towards the operational performance of the pharma sector. Rather than going into the what sort of the prices and what sort of the -- this is happening because of the capacity utilization, what is the mix? So I think we do not share that detailed information over the call. So I think we will not be able to share it. But as a -- as a broadly, if you can take it, this is mostly on capacity utilization and better operational efficiency.

Vignesh: Okay, sir. Okay, sir. Got it, sir. Yes.

Abhay Raj Singh: And also, this is coupled with the increased export realization during the quarter.

Vignesh: Okay. And would it be correct to say that the mix towards regulated market have gone up in this quarter? I mean, aiding towards higher EBITDA margin?

Abhay Raj Singh: For our other API products, it is yes.

Vignesh: Okay. Okay. Fine. Got it.

Moderator: Thank you. The next question is from the line of Surabhi Sutaria from NV Alpha. Please proceed.

Surabhi Sutaria: Yes. Hi. Thanks for the opportunity. So I have two questions. One, your other APIs, the non-Ibuprofen has now crossed a INR200 crores kind of quarterly run rate, which is not seen in the last few quarters. So one, what is driving that growth? And second, of the INR200 crores in the non-Ibu segment, how much of it is regulated market and how much more can we supply to the regulated markets? Thank you.

Abhay Raj Singh: Thank you, Surabhi , for asking this question. So basically, around 21% to 20% comes from the exports market that also includes regulated and non-regulated. But majority of it is from the regulated market. So, as of now not having the exact bifurcations of regulated and non-regulated export market, but majority of this revenue comes from the regulated market.

And, this year we achieved around 43% of overall pharma, from other than ibuprofen products that enable us to cross the INR200 crores mark. And what we were discussing for last few quarters, that we are looking to achieve in mid to short term range,… around 50% from ibuprofen and about 50% from non-ibuprofen. I think we are very near to achieving it, and this is the result of our efforts which we are putting in for last few quarters. So, I think we are very near to that.

Surabhi Sutaria: Got it. Yes. Just last question in the non -- sorry, just last question in the non-ibuprofen. What is our biggest API? Is it clopidogrel? Is it pantoprazole? Which one is contributing the most?

Abhay Raj Singh: In this segment, paracetamol, clopidogrel, pantoprazole, metformin, fenofibrate, levetiracetam, these are our key growth drivers and key products.

Surabhi Sutaria Got it. Okay. Thank you so much.

Abhay Raj Singh: Thank you.

Moderator: Thank you. The next question is from the line of Jainam Ghelani from Svan Investments. Please proceed.

Jainam Ghelani: Hi sir, congratulations for a good set of numbers. So since we have guided of capex of around INR200 crores to INR250 crores. How much would this be for our maintenance capex? And in terms of growth capex, would it be for the new greenfield site that we were, we had got EC approval, or would it be for some other projects?

Pardeep Kumar Khanna: Jainam ji, we follow a capex of approximately INR200 crores every year, which is planned with a long term view to support sustainable growth. Out of total capex planned, 60% is directed towards expansion and new product. And the remaining 40% goes to infrastructure, improvements for better efficiencies and reduction in cost. So you see, we have from the last four, five years, we are doing a capex of INR100 crores to INR200 crores approximately every year.

Jainam Ghelani: Okay. And sir, just to continue to the question of one of the earlier participants. So in this quarter, how much of the profitability would attribute to the one-time inventory gain due to the surge in pricing, because of the war?

Rakesh Mahajan: No, your voice is not clear. We are not getting the questions.

Jainam Ghelani: Sir, just to continue one of the earlier participant's question. So in terms of profitability, how much was one-time inventory gain due to the surge in pricing for this quarter?

Abhay Raj Singh: So basically, this is not due to the inventory gain, we might be having little bit inventory gain during the later part of the last quarter around 10 to 15 days, but this quarter we are not having inventory gain. This is not correct to allocate this profit towards that. This is the mix of our key factors, higher capacity utilization, better product mix. We also have some edge over operational efficiency, and also better performance from non-ibu products and increase in the export realizations in non-ibu side as well.

So I think put together all these factors resulted into the better performance. This cannot be contributed or cannot be allocated against the inventory gain.

Jainam Ghelani: Okay sir. Understood. Thank you.

Abhay Raj Singh: Thank you, Jainam. Thank you so much.

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

Santosh: Hello, sir. So my first question is non-ibuprofen products increased their contribution to pharma revenue from 36% in Q1 FY 2026 to 43% in Q1 FY 2027. At what point do you see this portfolio becoming large enough to materially change the overall pharma margin profile?

Abhay Raj Singh: See, what we are expecting in the near term this business vertical should achieve around 50% overall contribution into the pharma. And that 50% we expect must be further divided into the domestic as well as the exports. So I think while we will be achieving the 50% and also the export realizations will increase, this will -- this will change the overall contributions to the bottom line.

Santosh: Okay, sir. And my last question is with INR26 crores invested in R&D during FY '26, what are the key commercial opportunities emerging from your R&D pipeline? And what kind of contribution can we expect from these initiatives over the medium term?

Abhay Raj Singh: So, R&D, basically, this is not a one-off expenses we are doing in R&D. These are the regular expenses in the R&D, and this is not allocated to any specific development of any product or the--.

Kushal Kumar Rana: I think the more important is out of this fund, we have allocated some of the funds for the -- purchasing the new analytical techniques. Like we have purchased XRD machine. We have purchased LCMS machine, GCMS machine. So basically, these are the high-end machines, which we have purchased to analyze the impurity profile at a very stringent level.

Santosh: Okay, sir. Thank you so much for answering my question.

Moderator: The next question is from the line of Soumya from Nirva Securities. Please proceed.

Soumya: Good afternoon, sir. Thank you so much for the opportunity. So Q1 revenue grew 37.1% year-on-year, while EBITDA grew 60.7% year-on-year. How much of the EBITDA outperformance was driven by operating leverage versus improvement in product mix? If you could throw some light on that?

Rakesh Mahajan: Increase in EBITDA margins primarily due to the operational efficiencies of existing product with increased capacity utilization, and there is no major product mix change except more penetration in the export market. So the more EBITDA is primarily due to the internal efficiencies of the company, not primarily through the external factors.

Soumya: Okay, sir. Sir, my next question is on PAT. PAT grew around 90% -- 89.9%, if I'm not wrong, year-on-year in Q1. Apart from the operating performance, were there any one-offs or below EBITDA factors that contributed to sharp PAT growth?

Rakesh Mahajan: Nothing.

Rakesh Mahajan: It is a routine financial number, although there is no extraordinary thing which we've done, except the internal efficiencies.

Soumya: Okay. Okay. Sir, my next question is on Pharma. The Pharma revenue grew 43% year-on-year in Q1. Could you help us understand whether the growth was broad-based across the portfolio or concentrated in a few key products?

Kushal Kumar Rana: Across the portfolio. It is across the portfolio because all the products, the maximum efficiencies with respect to utilization has been achieved.

Soumya: All right. Sir, just the last question from my side. If the current diversification strategy plays out as planned, what would be a reasonable target for non-Ibuprofen contribution to Pharma revenue by FY '29? And would you expect that mix shift to structurally lift consolidated margins?

Rakesh Mahajan: For FY '29 only after three to four years, we are expecting that non-Ibu segment will contribute around 50% to 55% of our API segment with good margin equivalent to the other Ibuprofen margins.

Soumya: Okay, sir. thank you so much. I'll rejoin the question queue.

Rakesh Mahajan: Thank you.

Moderator: Thank you. The next question is from the line of Maulik Varia from 360 ONE Mutual Fund. Please proceed.

Maulik Varia: Hi sir. Maulik here from 360 ONE Capital. Thank you for the opportunity and congratulations on a good set of numbers. Sir, a few questions from my side. So, we've seen growth -- strong top line growth across all products. So just wanted some qualitative idea from your side, why was this growth muted in the last few quarters?

And you, of course, had indicated that demand is expected to revive and you had indicated about it. And what has led to this revival? And what is your visibility about how long will this strong demand sustain? Will it be there for the next eight to 10 quarters, 12 quarters? Any quantitative direction, sir, on the demand?

Pardeep Kumar Khanna: So, Maulik, both top line and bottom-line growth was due to higher volumes along with better pricing of our established products as well as growth in new products. Also in spite of increase in input prices, we are able to achieve these numbers by passing the increased cost to customers due to healthy demand, both in domestic and export markets. So, these are the main reasons for growth in both top line and bottom-line.

And taking into consideration of demand prices and experiences, we expect revenue growth around 20% and EBITDA 14% to 15%. This growth is based on better capacity utilization, product mix and operational efficiencies. And we have reasonable visibility into our order book for the coming quarter. So this gives us confidence in the overall guidance for the year. We think this growth is sustainable for the whole year.

Maulik Varia: Okay. Okay, sir. And any guidance, sir, on FY '28? Will we be able to grow in similar run rate of 15%, 20% in terms of top line and also on EBITDA margin, sir? Any guidance on that?

Pardeep Kumar Khanna: Definitely, we have a plan to grow about 15% to 20% in top line and EBITDA to 15% to 17% in '28 approximately.

Maulik Varia: Okay. Okay. Okay. EBITDA margin, you are slightly upgrading in terms of volume -- better volume and pricing scenario.

Pardeep Kumar Khanna: Actually, we cannot predict for '28 at this time, but we hope we will get better--

Maulik Varia: Sorry, sir, your voice has disconnected. Sorry.

Abhay Raj Singh: Maulik ji, this is on the basis of the current scenario. Suppose down the line in next six-month scenario got changed, then what we are saying may not be possible. But -- so this is as per the current scenario. So this is on the basis of the current plans we have.

Maulik Varia: Noted, sir. Noted. Okay. Okay. And also one question is sequentially, we've seen a decline in gross margin. So, is my assumption correct that last quarter, we had some inventory gains because of which our gross profit was higher -- gross margin was higher, and this quarter due to higher input costs the gross margins were relatively lower on a sequential basis?

Rakesh Mahajan: Yes. In just I have already explained to some analyst that in the March quarter we in a for few days we get the inventory valuation benefit. But in this quarter the input prices also increased and finished prices also increased and the margin has impacted due to certain variation in passing the increased cost to the customers. Because we already tied up some prices to big customers for their final prices. So all these differences has been already exhausted and there is no future any major variation in the prices, input and output prices now.

Maulik Varia: Okay. And sir, in our other expenses, what would be the major cost? Because that has also increased on a Q-o-Q basis. So what would be the major contributor to this?

Pardeep Kumar Khanna: In other expenses, we have major energy and logistic costs.

Maulik Varia: Okay, both of...

Pardeep Kumar Khanna: While there is a pressure globally, we have not seen any material impact. So prices of power cost, logistic cost increasingly -- increased in, during the quarter, but we are able to pass on the major part of the increased cost to the customers. So we have no major material impact on our business.

Maulik Varia: Understood, sir. Okay. And last question, sir, in terms of our non-ibuprofen that has been outperforming or growing faster than the ibu portfolio, so going ahead also for your you know for the guidance you've given for FY27 and for future, which products would be the key drivers for this or will it be the entire non-ibuprofen portfolio which will see very strong demand?

Pardeep Kumar Khanna: In the non-ibu portfolio, the paracetamol turnover contributed mainly for this increase. Other products like clopidogrel and pantoprazole also contributed. So overall, all the products contributed in this rise.

Maulik Varia: Okay. So, it's going to be a broad-based growth going ahead also for the non-ibu?

Pardeep Kumar Khanna: Sure, we expect.

Maulik Varia: Okay, okay. And I mean in terms of our regulated market exports, so any new products which we have filed or you know are awaiting approval anything, sir, any visibility on that?

Abhay Raj Singh: So basically, our all the products got CEP approval, and apart from CEP approval for all products, we have also got approval from the US FDA for our five products and another two, three products are already lined up as the formulators have filed their ANDA. So once their ANDA is approved, our products will also get approval from US FDA, CEP is available for all the product.

Kushal Kumar Rana: And additionally, we are getting into the other markets like NMPA, China has approved our clopidogrel recently. So, we are targeting different regulated markets as well depending on the customer's requirement.

Abhay Raj Singh: And in past, our ibuprofen also approved in China.

Maulik Varia: Okay, okay, thank you sir. I'll join the queue. Thank you.

Moderator: Thank you. The next question is from the line of Nimish Verma from AAS Capital. Please proceed.

Nimish Verma: Good afternoon, sir. Am I audible?

Abhay Raj Singh: Yes, please.

Nimish Verma: Thank you for the opportunity and congrats for the good set of numbers. So I had a few set of questions. The first one being, ibuprofen continues to be an important part of the portfolio, with the broader API portfolio scaling up, how do you see ibuprofen share of total revenue evolving over the next three years?

Abhay Raj Singh: So as you rightly said the ibuprofen is important part of our portfolio. Having said that, other products into the API, they are also performing. So we are a diversified API company, ibuprofen is one of our product, but the fact is that it is the one of our best product.

So the way we established the leadership in the ibuprofen, the same model we will also be replicating in other products. As and when the time is coming, the product is reaching to their scalability, achieving the scalability. So in other products if you talk about many products we are getting and all are performing well.

Paracetamol is also contributing well, because -- Clopi is also doing well and in recent past we also increased the capacity of three, four products. So going forward, the growth what we looking is the broad-based growth involving all product portfolio with better product mix.

Nimish Verma: Okay, sir, got it. My second question would be, the company has been strengthening its backward integration manufacturing platform. Are there any specific intermediates, KSMs currently being evaluated for backward integration that could meaningfully improve product economics?

Kushal Kumar Rana: So honestly speaking as of now we are working on different streams in R&D, but probably we can give you some idea when we have some proof of concept ready with us after R&D development.

Nimish Verma: Okay, got it. And my last question would be with the 101 acre land parcel available for future expansion, should we expect the first major project on this land to be commissioned within the current capex cycle, or is it more of a FY28, '29 growth platform?

Kushal Kumar Rana: So again, like we are in the process of getting all the statutory permissions which is underway. Parallelly we are working on different product mix in our R&D section. And once we have very clear cut idea or proof-of-concept ready with us, definitely we will start the work there and product will come at that site also.

Abhay Raj Singh: But probably not in this FY.

Kushal Kumar Rana: Yes.

Nimish Verma: Okay, got it, sir. That's it from my side. Thank you for the opportunity.

Moderator: Thank you. The next question is from the line of Sheikh Mohammed, an Individual Investor. Please proceed.

Sheikh Mohammed: Thank you very much for the opportunity. And many, many congratulations to the management for the excellent set of numbers. My question is, will chemical business continue to perform the same or we have the peak EBITDA margins of chemical segment?

Pardeep Kumar Khanna: The EBITDA margin of Chemical segment has been on an upward trend in this quarter. So we have got a better EBITDA margin in this quarter. And you see we have also increased the capacities of both Ethyl Acetate and Acetic Anhydride and we have done better in this quarter. Increased exports in Chemical segment also contributed for this.

Shaikh Mohammed: So means you see that same kind of performance may continue?

Pardeep Kumar Khanna: Yes, sure. We expect it will continue.

Shaikh Mohammed: Okay. Sir, another question is, last conference call, we have mentioned regarding CMO space. So what opportunity we can fulfill or we can have in that space?

Kushal Kumar Rana: Sir, we are working on that segment also. So I think once we have very clear cut proof-of-concept ready with us, definitely, we'll let you know.

Shaikh Mohammed: Okay. Sir, Sir, I can see that we have given the INR2,600 crores, INR2,700 crores full year top line guidance we have given. And by seeing this quarter, do you think we can outperform the previous guidance of both top line and bottom line?

Abhay Raj Singh: So I think the previous guidance when we've given, we taken into consideration of this whole year. So the guidance will be remaining in the same line. However, we will be able to -- having the current scenario, we think that we may cross that number. But we don't want to upgrade the guidance

Shaikh Mohammed: Okay. And sir, in terms of export, we have already achieved 28.5%. So management is approaching defensive side because we have given 25% to 30% export percentage because already we have achieved 28.5% in Q1.

Abhay Raj Singh: Yes, that's correct. We achieved 28.5%, and we are expecting around 30%. So if we say around 30%, it can be 28% or it can be 35% also. But this is sort of the mean number we have taken. And we hope -- we need to be correct when we say something rather than we don't want to caught saying something which is not able to achieve. So that is the philosophy we just communicated around 30%, and we are hopeful that we will be achieving it. Maybe we can cross that also.

Kushal Kumar Rana: I think -- and moreover -- so this number, basically, we have export customers where we have agreement-ed quantities. So in some cases, most of the quantities has been dispatched to that customer. So that number increases, but there are chances that in the next quarter, that customer has a very -- little bit quantities out of the agreement. So these are some of the variables which can lead to the export number a little bit up and down.

Shaikh Mohammed: Okay. Sir, are we planning further regulatory approvals for Chemical segment or for other product approval in Chemical segment?

Abhay Raj Singh: So we have basically 2 products. Ethyl Acetate is 100% used for the merchant sale. And apart from that, we also have the Acetic Anhydride. So these two products are already approved and recertification is there. In last quarter, we also introduced, Triacetin. So we will be expecting the regulatory approvals…

Kushal Kumar Rana: For that product also.

Abhay Raj Singh: It takes few quarters to reach the maturity for a product, and I think we will be get it in two, three quarters.

Shaikh Mohammed: Sir. That's very good to hear. We are continuously improving our Chemical segment and improving the export also. Sir, another question, maybe a tricky question, but I want to ask this question, last question. SMS Pharma got hit in this quarter because their revenue and profit both were hit. So can we think we have beaten them in terms of Ibuprofen manufacturing technology?

Abhay Raj Singh: Shaikh ji, as you said, it's tricky, we don't know about others, what they are doing, and we don't want to comment on also. We are confident about our strategy, our manufacturing capabilities and operational efficiency. So we would like to discuss those things, and we would like to limit ourselves to those discussions only.

Shaikh Mohammed: Okay, sir. This is the last question. Do we, planning...

Moderator: Sorry to interrupt you, Mr. Mohammed, but can you please rejoin the queue for follow-up as there are several participants waiting for their turn. Thank you. The next question is from the line of Abhishek Kamdar from Value Plus Advisors. Please proceed.

Abhishek Kamdar: Yes, hi. Congratulations on a great set. I have a question on Triacetin, the new facility that commissioned, what is the capacity utilization that you achieved for Q1?

Abhay Raj Singh: For paracetamol?

Rakesh Mahajan: No, no, Triacetin.

Kushal Kumar Rana: So, Triacetin, I think this plant, we have started production in May -- after May. So I think this was only 1 month of production in this. But yes, this plant -- slowly, the capacity will increase because parallelly, we are looking for the penetration into the market as well. And accordingly, we have to increase the production capacities.

Abhishek Kamdar: And at a steady state, what is the revenue potential of this the 6,000 MTPA that we have?

Pardeep Kumar Khanna: Hello? Around INR120 crores per year.

Abhishek Kamdar: Okay. All right. And in terms of the inputs towards Triacetin, would it be the Acetic Anhydride itself? And what percentage of our proportion of our Acetic Anhydride would be captive consumption then?

Kushal Kumar Rana: No, no, it is not acetic anhydride usually, it is acetic acid and glycerol, these are the two input materials for this, so acetic anhydride is not used in this product.

Abhishek Kamdar: All right. Okay. But about INR120 crores is the revenue potential of triacetin?

Kushal Kumar Rana: Yes.

Abhishek Kamdar: All right. Okay. And how does that compare with the EBITDA margins of ethyl acetate?

Abhay Raj Singh: So this is not on product basis, EBITDA margin, on segment basis, we can discuss.

Kushal Kumar Rana: Both cannot be compared because the usage are totally different for both the products.

Abhishek Kamdar: Thank you.

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

Santosh Shetty: Sir, I just have a couple of follow-up questions. Like, firstly, backward integration has been an important part of IOL's strategy. So, are there any significant raw materials or intermediates where you are still dependent on external sourcing and could potentially integrate further?

Abhay Raj Singh: So, I think.. metformin, is not the backward integrated products in our portfolio and perhaps we'll not be doing the backward integration, for the it we are depending for DCDA,a raw material. from China, and I think not only we, but most of the companies are also depending on the same from the China, because this is geographically available in that region.

Santosh Shetty: Okay, sir. Great. And another question, IOL's overall export contribution has moved to 28.5%. Is the higher export mix also resulting in a better product or a customer mix or is it the benefit primarily from higher volumes?

Abhay Raj Singh: No, it's a mix of everything. It's a mix of better product mix, and it's a result of operational efficiency, better realization, and customers reach also. So, this is a mixture of everything, not to any specific reason dominantly can be contributed to this number.

Santosh Shetty: Okay, sir. That's great to know. It's positive that your story is reflecting into numbers, which we can see in our APIs. So, all the best for the future. Thank you.

Abhay Raj Singh: Thank you. Thank you so much, Santosh ji.

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 for engaging the discussions. To conclude, we are encouraged by the strong start to year FY27, and the progress across our pharmaceutical and chemical businesses. The increasing contribution from our non-ibuprofen portfolio, improving capacity utilization and strengthening our international presence demonstrate that our diversification strategy is gaining meaningful traction.

With our integrated manufacturing platform, diversified product portfolio, process capabilities, and growing international footprints, we believe IOL is well positioned to build on the current momentum and deliver sustainable long-term growth.

On behalf of the management, I thank all our stakeholders for their continued trust and support. We look forward to updating you on our progress in the coming quarters. For any further queries, 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, everyone.

Abhay Raj Singh: Thank you.