



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

27th May 2025
IOLCP/CGC/2025

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 & FY2025

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 20th May 2025 post declaration of financial results for the quarter and year ended 31st March 2025.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

for IOL Chemicals and Pharmaceuticals Limited

Abhay Raj Singh

Sr. Vice President & Company Secretary



IOL Chemicals And Pharmaceuticals Limited

**“IOL Chemicals and Pharmaceuticals Limited
Q4 FY '25 Earnings Conference Call”**

May 20, 2025



IOL Chemicals And Pharmaceuticals Limited



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

MODERATOR: MS. PRACHI – MUFG INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day and welcome to the IOL Chemicals and Pharmaceuticals Q4 FY '25 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 the 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 from MUFG Investor Relations team. Thank you and over to you, ma'am.

Prachi Ambre: Good afternoon, everyone, for IOL Chemicals and Pharmaceuticals Limited Q4 and FY '25 Earnings Conference Call. Today on the call, we have Mr. Pardeep Khanna, Chief Financial Officer; Mr. Abhay Raj Singh, Senior Vice President and Company Secretary; Mr. Kushal Kumar Rana, Director Works; and Mr. Rakesh Mahajan, Advisor.

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

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

Abhay Raj Singh: Thank you, Prachi. Good afternoon, everyone. Welcome to the Q4 and FY '25 earnings call of IOL Chemicals and Pharmaceuticals Limited. I would like to thank you all for joining us today and for your continued trust and engagement with our company. Let me begin by briefly setting the broader industry context.

FY '25 was a year of mixed trends across the pharmaceutical and chemical value chains. In the pharmaceutical sector, demand remained stable, but pricing pressure persisted driven by global oversupply and aggressive pricing from new entrants especially in India. These dynamics impacted margin across the industry.

Turning to chemicals. While global commentary often speaks of inventory destocking now being behind us and pricing stabilizations emerging in some segments, it is important to contextualize this from IOL's perspective. Unlike stand-alone chemical players, the majority of our specialty chemicals are produced for captive consumption within our pharmaceuticals API manufacturing.

In that sense, our chemical business is an enabler of cost efficiency and supply reliability not an independent growth engine exposed to global demand cycle. However, some of our chemicals are sold externally. Despite this backdrop, we delivered a resilient performance in FY '25. In Q4, we saw improved traction in the Ibuprofen segment despite continued price challenges alongside stable demand and pricing across our broader API basket.

Meanwhile, our chemical operations delivered stable financial performance supported by enhanced efficiencies and better cost control. A key highlight of the year was the successful commissioning of our fully backward integrated Paracetamol unit at our plant site at Barnala. This INR155 crore investment funded entirely through internal accruals has enhanced our

Paracetamol capacity to 10,800 MTPA. This is a major step in strengthening our non-Ibu portfolio, which now contributes about 34% to the API revenues, up from 18% just 5 years ago.

Therapeutic categories like antidiabetics, analgesics, anticholesterol, antiepileptic, cardiovascular, etcetera, continue to drive this diversification with products like Metformin, Paracetamol, Fenofibrate, Pantoprazole, Levetiracetam, Clopidogrel, etcetera, seeing strong and stable demand. We also expanded Clopidogrel capacity by 33% reflecting our belief in the long-term growth potentials of cardiovascular APIs. From a regulatory standpoint, Ibuprofen approval from China CDE is an important milestone in expanding the IOL's global reach.

To support future growth, we have acquired 101 acres of land along the Chandigarh-Bathinda Highway, laying the groundwork for greenfield expansion. Approvals for industrial, environmental and NHI clearances are underway and progressing into FY 2026. Currently, our export revenues stand at around 27% and we aim to scale this to about 40% over the medium term. With 16 DMF and 19 CEPs already filed, we are strengthening our foundation for a larger global presence.

Our strong backward integration model remains central to our strategy. It allows us to optimize cost, ensure quality, secure supply and improve margin resilience. FY '25 was a year of consolidation, efficiency gains and strategic investments. We are confident that this groundwork will support more consistent performance and value creation in the years ahead.

With that, I now invite Mr. Pardeep Khanna, CFO, to take you through our financial performance for Q4 and FY 2025.

Pardeep Khanna:

Thank you, Abhay. Hello, everyone. Good afternoon. I will now share the operational performance for the quarter. Following which, we will open the floor for questions and answers. In quarter 4 of financial year '25, our revenue from operations grew to INR528 crores marking a 4.7% year-on-year growth compared to approximately INR504 crores in quarter 4 of financial year '24.

For the full year financial year '25, revenue stood at INR2,079 crores. EBITDA for quarter 4 of financial year '25 increased by 17% to approximately INR67 crores, up from approximately INR58 crores in the same quarter last year. This translates to an EBITDA margin of 12.7%, an improvement of 141 basis points year-on-year. For the full year, EBITDA stood at INR225 crores with an EBITDA margin of approximately 11%.

On the bottom line, profit after tax for quarter 4 grew by 12% year-on-year to INR31.6 crores compared to INR28 crores in quarter 4 of financial year '24. This corresponds to a PAT margin of 5.9%, an increase of 43 basis points. For the full year, PAT stood at INR101 crores with a PAT margin of 4.8%. It is important to note that the total PAT is impacted by higher depreciation charges largely stemming from our current recent capital investments.

On a cash adjusted basis or what we refer to as cash PAT, profitability remains down. Cash PAT for quarter 4 of '25 stood at INR56.4 crores compared to INR49.2 crores in quarter 4 of financial year '24, an increase of about 15%. For the full financial year '25, cash PAT was INR185 crores underscoring our strong cash generation and the resilience of our core operations.

Our net debt to equity ratio stood at 0.09 on account of working capital borrowing at the end of financial year '25 reflecting a minimal leverage and strong internal accruals. This gives us ample headroom to fund future growth, pursue expansion opportunities and invest in long-term strategic initiatives; all while maintaining a solid financial foundation.

So, with that, I conclude my remarks. I now welcome questions you may have. Thank you.

Moderator: The first question is from the line of Vivek Patel from Ficom Family Office.

Vivek Patel: Just had a quick question. How has the Levetiracetam molecule performed over the last few quarters? And based on your assessment, how would you believe that the market for this molecule is going to perform over the next, say, 1 to 2 years?

Kushal Kumar Rana: I think Levetiracetam, yes, the quantity will increase because we have already done some capacity enhancements for Levetiracetam also and we are approaching new customers as well and we have filed U.S. DMF for this product also. So we are expecting good volumes in near future.

Vivek Patel: Any geography you are expecting to perform better, say U.S., Europe or Africa or Latin America, otherwise? Which geography do you think the growth would you expect to come from?

Kushal Kumar Rana: I think we have got CEP for this product. So first, the market which we are targeting will be Europe followed by other markets like U.S. and India parallelly. Brazil also, we have ANVISA for this product so we are also targeting Brazilian market also.

Vivek Patel: And any understanding or sort of estimate of the size of the molecules market, if there is any?

Kushal Kumar Rana: No. As of now, we don't have any idea.

Moderator: The next question is from the line of Aryan Jain from Lotus Wealth.

Aryan Jain: Congratulations on a good set of numbers. I had a couple of questions. So we just received the CDE approval to export Ibuprofen in China. So what scale do you think we can export Ibuprofen to China and will it have any material impact on our revenues?

Kushal Kumar Rana: I think definitely this is a new market for us since we have got the approval from the regulatory authority of China and there are good volumes there for Ibuprofen and other derivatives also. So I think we have started touching our customers there in China. So we can make a forecast over a period of time that how much material we can sell into that market.

Aryan Jain: Okay. Perfect. And another question, when do you think we can get some price realizations in the chemical sector like our margins have been low since a couple of years and the primary reason has been because of the dumping of the price. So do you think we might get some good price realizations going forward?

Rakesh Mahajan: This is all regarding chemical prices. Your question regarding chemical prices. In our chemical segment, our merchant sale is primarily for ethyl acetate only and other chemicals are primarily used for captive consumption for our API segment. So earlier, the prices of ethyl acetate was

very fluctuating around 1 year back. But from the last 2, 3 quarters, the prices are stable along with the stable prices of raw material also.

So, we think that the prices are already bottom out for ethyl acetate and now the demand is having some traction increasing maybe 1 or 2 quarters. So the demand side we can say that it may have some improvement, but price is totally linked with the prices of our raw material.

Aryan Jain: So, do you think we can improve on our margins going forward because we are standing at pretty low double-digit numbers. So, do you think we can get to 14%, 15%?

Rakesh Mahajan: Primarily we are working on internal efficiencies and how to reduce the cost of production. No doubt the prices are totally linked with the raw material prices, but still, we develop various mechanisms how we can get low cost of production keeping in view the volatility in the raw material prices.

Moderator: The next question is from the line of Surabhi from NV Alpha.

Surabhi: My first question is what was the volume growth and the value growth in Q4 and for the full year?

Rakesh Mahajan: In API business, there is growth in Ibu business and little expansion in non-Ibu segment also. Not exactly what we expected for non-Ibu segment especially in Paracetamol where the demand was not up to the mark during FY '25. Whereas the prices and demand of Ibuprofen we are seeing some positive numbers and increasing.

Kushal Kumar Rana: In chemical, volume also increased in the fourth quarter.

Surabhi: So just to give a number to the -- so was the volume growth higher than the value growth in the API segment?

Rakesh Mahajan: Volume growth, Ibuprofen is there and Clopidogrel is there, Pantoprazole is there, Fenofibrate is there where the quantities turnover was more than as we had planned for them, but there was contraction of demand in Paracetamol especially. And for Metformin, it remained equal to as we planned in the budget or last con calls. So exact number are very difficult to give in the con call. But there is positive traction of volume in Ibuprofen and some non-Ibu segment except Paracetamol.

Surabhi: Sir, what would be the margin differential between, say, other API segment and the Ibuprofen segment specifically because some of your other Ibuprofen competitors are making losses in Ibuprofen. So, are you also going through the same thing and is the API margin coming from the other API segment?

Abhay Raj Singh: Surabhi, this is Abhay. Actually, we are unable to comment how the others are doing. But as you know that for the Ibuprofen, we are the backward integrated facility and we command the backward chain also and we are considered as one of the best cost-efficient company for the Ibuprofen.

So that is the reason we are able to generate the better efficiency and on a sustainable basis having around 85% to 90% capacity utilization. But we don't know how the others are doing. So that is the reason for us to sustain in the better manner for the Ibuprofen. And the same is with the others also, the non-Ibu portfolio as well because we are also -- the earlier part of your question was also asking for the volume growth or the value growth.

So, in non-Ibu, we also registered volume growth for the Q4. And going forward we are hopeful that we will be having more value growth because for most of the products, we are having the CEP in place. So, we will try to convert the export realization more.

Surabhi: Got it. And sir, last question, you were speaking about exporting Ibuprofen to China. Just to understand how are the margins and realizations different in China versus Europe versus the domestic market? Just to give a direction in this.

Kushal Kumar Rana I think we are having discussion with different customers. But as of now, it is very difficult to comment on the price part. Once we have some customer realization and we'll dispatch some quantities, then probably we will be in a position to forecast about the numbers.

Surabhi: But is the China geography more margin accretive than, say, Europe in general?

Kushal Kumar Rana In general, you can say it is almost same, but it depends on the requirement and the customers, how order to order they are going forward.

Moderator: The next question is from the line of Akshay Kothari from Envision Capital.

Akshay Kothari: Sir, what is the peak revenue we can do from the existing capacity?

Abhay Raj Singh So, considering the current price, the peak revenue from the existing capacity is something around INR2,700 crores to INR2,800 crores.

Akshay Kothari: Okay. And sir, you mentioned that in chemicals, we are using the rest of the chemicals apart from ethyl acetate for captive consumption. So INR1,000 crores revenue from chemicals is?

Abhay Raj Singh Yes. Apart from ethyl acetate, we also have acetic anhydride, part of which is being utilized for the forward integration into the pharma for manufacturing or producing the pharma product Paracetamol and the remaining is being used for the merchant sale. So basically these are 2. We also have IBB, but we produce very less extra quantity which we use for the merchant sale. Majorly this is ethyl acetate.

Akshay Kothari: So INR1,000 crore revenue is majorly coming from ethyl acetate, right?

Abhay Raj Singh And acetic anhydride. So 80% will be from ethyl acetate

Akshay Kothari: So sir, if I look at the gross block, the gross block has gone up in the last 5 years, has more than doubled and our revenues have also increased on the chemical front rather than on the drugs front. So wanted to just understand whether the capex which we have put is on the chemical front and then it is low margin actually. So wanted to understand more on what went wrong and the future capital allocation plans.

Abhay Raj Singh

Nothing went wrong. I think most part of the capex has been put into the pharma side whereas the chemical side, we come up with the product acetic anhydride. This is the only chemical capex we did apart from some other maintenance capex. And we also undertaken the capex relating to the land, infrastructure, software and automization. And in last 4, 5 years, we also come up -- most of our non-Ibu products has come up into the pharma sector only.

But turnover what are we talking about is relating to the prices also. If you see the prices what we were having for the non-Ibu products and in fact for Ibuprofen also around 5 years back. Since then, there is a decline of around 25%. So considering the prices of 5 years or 4 years back, our turnover you can imagine where it would have been. So that is the current industry scenario.

Akshay Kothari:

Okay. And sir, when do you think, we would start making -- what could be good margins in chemicals piece of business, EBITDA margins?

Kushal Kumar Rana:

Approximately 10% is the better margin for chemical sector.

Akshay Kothari:

Okay. And do we think that it can go to 10% because past does not show in that fashion?

Kushal Kumar Rana:

In the fourth quarter of '25, we have achieved 6% EBITDA margin from chemicals as compared to '24, 3%. So we are going forward to 10%. So hopefully in the current year, we will achieve more than 6%.

Moderator:

The next question is from the line of Sahil Vohra from M&S Associates.

Sahil Vohra:

I had a couple of questions. First question is we can see drop in pharma segment revenue for FY '25. Pharma EBIT fell significantly from INR174 crores to INR126 crores. Sir, I wanted to know is this margin pressure structural or temporary? Also considering the Q4 FY '25 revenue and EBIT, is this maybe a sign of recovery in the pharma segment?

Rakesh Mahajan:

One of the reasons is that our quantity production and sale is increasing from the last quarter. That's why the improvement in the API segment in the quarter 4. But as we have previously explained that the prices we think are at bottom out for all the API since last 2, 3 quarters. We hope that this price will not be sustainable and maybe time to come it may be start improving.

Sahil Vohra:

Okay, sir. That's fair. Sir, my next question is you have outlined the target of reaching 40% to 45% revenue from exports. Currently we are at 27%. What specific strategies or geographies will maybe help bridge the gap to your target?

Abhay Raj Singh:

So basically, Sahil, for most of our non-Ibuprofen portfolio, we are having the regulatory approvals from European market, Brazilian market and we also have for some from the Russian and the Korean and China as well. So, these are majorly the European country and we are targeting. And we hope that in the year or maybe by the next 2 years, we will be able to achieve the export realization or export sale of around 40% to 45%.

- Rakesh Mahajan:** Earlier we were exporting only 10% to 12% of our chemical revenue and this year we have achieved only 18% of export revenue from the chemical. Because last year we have got the recertification from ethyl acetate.
- Abhay Raj Singh:** Yes. And for acetic anhydride, our recertifications from the Europe also is under process and we hope we will receive very soon the same. So, after receiving the CEP for acetic anhydride, Europe will also be available for us for exporting the acetic anhydride surplus quantity we will be having after making the captive consumption.
- Kushal Kumar Rana:** Also, as Abhay said, we have got regulatory approval from China for Ibu and also we have customer base for 80 countries and we have filed 15 DMF and 19 CEP and also company doing well in the regulated market. So, we hope we will touch 40% in the next 2 years.
- Moderator:** The next question is from the line of Raj Patel from RK Securities.
- Raj Patel:** So given that the regulatory clearance hinges on the physical U.S. FDA inspection, has there been any progress or communication indicating when the site visit might occur? And are there any timelines you are currently working towards?
- Kushal Kumar Rana** I think U.S. FDA approval is clearly proceeded as per the regulatory or authority requirements, which means the company has nothing to do with the inspection. As and when they will plan for the inspection, they will come for the inspection. I think as far as the company part is concerned, recently we have got approval for our Fenofibrate product in U.S. where we got some 2, 3 questions for the DMF and then later on after submission of the response, our customer got the approval for that. So I think it is very difficult to comment when U.S. FDA inspection will take place. But yes, as a company, we are ready for the inspection.
- Raj Patel:** Okay. And can you provide more clarity on the product portfolio plan for the upcoming facilities near Chandigarh-Bathinda Highway? Also, where do things stand with regulatory approvals and site readiness?
- Kushal Kumar Rana** So, I think the most important part for starting a new plant is to get all the statutory requirements done. So, we have started an environmental clearance process along with -- since this facility is just opposite to the national highway. So, we have started the permission to get from National Highway Authorities, Pollution Control Board environment clearance. So already the process has been started.
- So, I think as and when we'll get the permission, the process is on. And as far as the products are concerned, so we are going with the same line chemicals and APIs with some forward integration to semi-finished products like supplying DC grades into the market and that is the only plan.
- Moderator:** The next question is from the line of Vivek Gupta from Star Investments.
- Vivek Gupta:** So, which additional APIs are being considered for backward integration and how do you intend to sequence or prioritize these investments over the next few years?

- Kushal Kumar Rana:** So, I think our R&D team is working on the products, which are feasible to work out at our own facility either here or at the new plants. So I think we will let you know the products at the appropriate time. But yes, R&D is working on backward integration for the existing products.
- Vivek Gupta:** Okay. So, like can you just provide me some insights for like what is the capex plan for FY '26? Like are there any major projects or new areas where the company is allocating fresh investment in the coming year?
- Kushal Kumar Rana:** So, we are doing capex for INR150 crores to INR200 crores from the last 2, 3 years. So we have planned the same INR150 crores to INR200 crores in the current year. This is including growth capex, infra and automation and developments. So we have planned INR150 crores to INR200 crores during the year.
- Moderator:** The next question is from the line of Shaikh Mohammed Ayyaz, an Individual Investor.
- Shaikh Mohammed Ayyaz:** I would like to congratulate IOLCP team for good set of numbers. But while seeing the number, what I see is there is significant reduction in the other expenses because last quarter it was INR81 crores; now it is around INR65 crores, INR70 crores. So where we see other expenses in near quarters?
- Kushal Kumar Rana:** Actually, other expenses include power and fuel expenses. The prices of fuel are drastically down in the year of '25. The major, we have consumed rice as a fuel, which has come down drastically. So now actually the prices are stable. So the current year on the same line, we have planned the power and fuel expenses.
- Shaikh Mohammed Ayyaz:** So where do you see the other expenses in the same range, INR65 crores, INR70 crores.
- Kushal Kumar Rana:** Near about.
- Shaikh Mohammed Ayyaz:** Okay. Sir, my second question is about export percentage. In the presentation, I see 27% is the export percentage. Where it was in FY '25 and '23? Can you tell me that?
- Rakesh Mahajan:** 2023, it was around 29% to 30%. Now it is 27%. Due to underutilization of European market especially due to Ukraine war, there were some industries which was not running at full price.
- Kushal Kumar Rana:** Also, the prices of API came down as compared to '23. In '25, the prices are lower than '23 prices. So, it is looking the export on downside. Actually, if you compare the volume, the volume has been increased.
- Shaikh Mohammed Ayyaz:** Okay. Sir, can you tell me that chemical segment export? Just before two questions, you told the data of chemical export percentage. You told something 18% we are export percentage for chemical. So, can you repeat that segment revenue and the export revenue previous and now?
- Rakesh Mahajan:** Earlier we were exporting around 10% to 12% of chemical revenue to the export market. After getting the recertification last year, the export revenue share of chemical business has been increased to around 18% during FY '25.

Shaikh Mohammed Ayyaz: Okay, sir. Sir, what about patents we are having? Because previously we have got patents for sitagliptin and Saturn drugs and what investor -- I saw that Edoxaban patent we have filed. So can you tell me the significance of that?

Kushal Kumar Rana I think we have three patents, which are approved earlier. So, I think as of now, we are having only three patents only. And I think for Edoxaban, we have to check probably, that is not there probably.

Shaikh Mohammed Ayyaz: No, no, no. We have filed.

Abhay Raj Singh: We have filed three only and they are approved.

Shaikh Mohammed Ayyaz: Okay. Maybe it was my mistake, but in annual report I have read that.

Kushal Kumar Rana I also check and then come back to you if required if there is any change.

Shaikh Mohammed Ayyaz: Okay. Sir, we have recently got CEP approval for Mesalazine and Quetiapine. I don't know, maybe I'm spelling it incorrectly. But how we see these 2 drugs with CEP in European markets?

Kushal Kumar Rana So like we have developed these molecules and we have gone for the regulatory approval and we got it. So right now, we are planning to run these products in one of our multiproduct facilities so that we can start feeding into the market and after that we will plan for the facility to make both these products commercial.

Shaikh Mohammed Ayyaz: Sir, any EBITDA guidance for FY '26 because from last 3 years, it has been reducing from 12% to 11% to now 10.7%. Can you guide in that?

Kushal Kumar Rana: In the last quarter i.e., in the fourth quarter of '25, we have EBITDA margin of approximately 13%. So, we are expecting more than 15% in the current year.

Moderator: The next question is from the line of Maulik from B&K Securities.

Maulik: Sir, first question is on our API business. So last 2, 3 quarters, as you had mentioned, that we were witnessing pricing pressure and that pricing pressure was mainly due to lower demand, if I'm not wrong, and oversupply of products.

So, wanted to understand for which all products are we seeing a price trend reversal? I think Paracetamol, you mentioned that it is still at bottom level and has not improved significantly. But for other products, how has the pricing been and volume demand?

Rakesh Mahajan: On the volume of non-Ibu segment product like Clopidogrel, Fenofibrate has been increasing and little bit improvement in the prices, but not in substantial numbers. But the demand is there for these 2, 3 products. Except Para, everything is at a stable number, but not going down now from last 2, 3 quarters. But for this Clopidogrel, Fenofibrate, Pantoprazole; the demand and prices are little bit -- we are expecting little bit good numbers.

Maulik: Okay, sir. And can you help me with Ibu and non-Ibu split for 4Q?

- Abhay Raj Singh** For Q4, split means in terms of the revenue. So it's around 65%, 35%.
- Maulik:** 65% Ibu. Okay, sir. And there was some minor leakage issue in the plant in the quarter. So has that been sorted and are we expected to lose any revenue because of it?
- Abhay Raj Singh** Maulik, actually it was for a very, very short term around 15 minutes or 10 minutes period. In fact we cannot call it and categorize a leak.
- Kushal Kumar Rana** It was not a leak. The reaction was going on and from one of the side hole, there was a very minor leakage. So it was attended within 15 minutes of time. So it has no prolonged effect, number one, and it was contained within single plant only. There was no effect even outside that plant also.
- Maulik:** Okay. Got it, sir. And I think our U.S. DMF product approvals are pending because the U.S. FDA has not inspected the facility. And do we have any intimation from the agency regarding the inspection?
- Kushal Kumar Rana** As of now, we don't have any information for the inspection number one. And second, you commented that we have some pending approvals. So probably the approval process for all the filed products is under progress. It will take its own time. And I think as far as the inspection, it is clearly the prerogative of the agency and as and when they will plan, they will come for the inspection.
- Maulik:** Okay, sir. And one last question. What revenue growth are you expecting for FY '26? And mainly would that be volume or value driven? You said value driven for certain products, but on a consol basis, how would that be?
- Kushal Kumar Rana:** We are expecting 10% to 15% growth in revenue from all the products. So, it is a mix of both volume and prices.
- Moderator:** The next question is from the line of Vikas Doshi from KR Investments.
- Vikas Doshi:** Congratulations on a good set of numbers. I have couple of questions. Firstly, can you help break down the improvement in chemical segment EBIT this quarter and which operational levers; particularly cost control, process optimization or scale efficiencies; had the most meaningful impact?
- Abhay Raj Singh:** Scale efficiency because we have done maximum quantity in Q4 for both the products in chemical like ethyl acetate and acetic anhydride.
- Vikas Doshi:** Okay. Also, my second question is how would you compare the margin dynamics of Ibuprofen with the rest of your API portfolio and molecules like Paracetamol, Metformin, Clopidogrel offering stronger margin support amidst the pricing pressure in Ibuprofen?
- Rakesh Mahajan:** No doubt our ibuprofen margins are presently more than all other non-Ibu segment. But all other non-Ibu segment products are also potential to have EBITDA margin equivalent or more than Ibuprofen also, but it may take some time or it may take more revenue from the regulatory market, which we are trying for exploring that market at the earliest.

- Moderator:** The next question is from the line of Appu Rafi, an Individual Investor.
- Appu Rafi:** Sir, my question is given that the demand for acetic anhydride and Paracetamol has been sluggish for the past few months, could you please provide an update on how the demand trends are evolving currently? Are you seeing a recovery in both of these segments, sir?
- Rakesh Mahajan:** For acetic anhydride, the prices are stable and for Paracetamol we are expecting maybe keeping in the current geographical scenario, there may be some improvement in the demand also with some price appreciation also.
- Appu Rafi:** All right, sir. Sir, but are you confident that this demand won't fade away like earlier and this will be a gradual recovery taking place?
- Rakesh Mahajan:** As our existing plant, which was around 3,600 tons was running till last at almost full capacity. So, demand is there, but the price was not up to the mark, but we hope that the demand and price will remain there in the global market.
- Moderator:** The next question is from the line of Hemant Kanungo from Norasia
- Hemant Kanungo:** Sir, I just wanted to understand any plans to manufacture DCDA like for us considering like Metformin is our flagship product and our entire philosophy of the company is to have backward integration?
- Kushal Kumar Rana** I think as of now there is no plans to go for DCDA manufacturing because the basic input material is having some problem with demand supply, like this is basically Inaudible 48:52 product. So as of now, there is no plan to go for DCDA manufacturing.
- Hemant Kanungo:** Okay. And sir, any challenges we are facing from any new players for Ibuprofen considering our peers, they are also having like bad time in Ibuprofen business. So any update on that, sir?
- Abhay Raj Singh:** New players, we don't see any big problem as of now, but this is an open market so anybody can come. And we have our strategy, we have our operational efficiency, the quality and the marketing efficiency. So, what we can comment on that, whenever it will come, we deal with. So, we cannot say on that.
- Hemant Kanungo:** Okay, sir. And sir, currently, our Paracetamol capacity is 13,000 tons or 10,000 tons because in like last presentation, like it was mentioned it was 10,000 tons, like 3,600 tons plus 7,200 tons. But in the new presentation, it mentioned 13,000 tons something.
- Abhay Raj Singh:** No. We also clarified this thing in the last presentation and the press releases when we given it last time also. So you need to understand the background. We were having before this the 1 plant, which was having the overall capacity of 3,600 MTPA. Now we come up with the new plant, this plant is having the capacity of 10,800 MTPA. Presently both the plants are running. But our plan is that the old plant, 3,600 MTPA capacity, all the production will shift to the new plant. So off late we will have 10,800 tons capacity and the plant, which is existing plant 3,600 tons, will be converted for some other products. This is on the basis of the current scenario.

- Hemant Kanungo:** Okay. And last question, sir, in the investor presentation, which has been given, in that in the Page number 13 for Metformin, it is mentioned that U.S. DMF is like there. And for other products showing this under review and file. So, does that mean for Metformin, we are U.S. FDA approved?
- Abhay Raj Singh:** Yes. So, this is approved means one of our customers applied to the U.S. FDA filing the ANDA stating that they want the Metformin from IOL. Their ANDA has been approved and that is why we are allowed to sell to the customer and the customer is selling the drugs manufactured in India to the U.S. So that way it is approved.
- Moderator:** Thank you very much. Ladies and gentlemen, I take that as the last question and would now like to hand the conference over to the management for closing comments.
- Rakesh Mahajan:** Thank you, everyone, for joining us today. As we close financial year 2025, it is clear that our focus on operational discipline, portfolio diversification and strategical capacity addition is beginning to reflect in our performance metrics. While the external environment remains dynamic, our integrated model, strong balance sheet and ongoing regulatory progress give us confidence in our trajectory.
- We are entering financial year '26 with sharper execution focus, deeper capabilities and a clear road map for scaling in both domestic and regulated international markets. We appreciate your ongoing support and look forward to engaging with you as we unlock the next phase of our growth story. Thank you very much once again. For your queries, please feel free to reach out to our Investor Relations team MUFG IR. Have a good day. Thank you.
- Moderator:** On behalf of IOL Chemicals and Pharmaceuticals, that concludes this conference. Thank you for joining us and you may now disconnect your lines.