



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

19th November 2025
IOLCP/CGC/2025

National Stock Exchange of India Ltd.

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

BSE Limited

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

**Sub: Transcript of Earnings Conference Call, post declaration of Financial Results Q2 & H1
FY'26**

Dear Sirs,

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 November 2025 post declaration of financial results for the quarter and half year ended 30th September 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
Q2 & H1 FY '26 Earnings Conference Call”**

November 13, 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 AMBRE – MUFG INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day, and welcome to IOL Chemicals and Pharmaceuticals Limited Q2 and H1 FY '26 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 touch-tone phone. Please note that this conference is being recorded.

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

Prachi Ambre: Thank you, Saisha. Good afternoon, everyone, and welcome to IOL Chemicals and Pharmaceuticals Limited Q2 and H1 FY '26 Earnings Conference Call. Today on the call, we have Mr. Pardeep Kumar Khanna, Chief Financial Officer; Mr. Abhay Raj Singh, Senior Vice President and Company Secretary; Mr. Kushal Kumar Rana, Director Works; and Mr. Rakesh Mahajan, Advisor, 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.

Abhay Raj Singh: Thank you very much, Prachi for introduction. Good afternoon, everyone, and welcome to the Q2 and H1 FY '26 Earnings Call of IOL Chemicals and Pharmaceuticals Limited. Thank you very 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 would have had a chance to go through our financial results and investor presentation, which are available on the stock exchanges and our website. This quarter underscores IOL's resilient execution and strategic progress amid a challenging operating environment marked by cost pressure and supply chain disruption.

While the broader industry has faced margin volatility and uneven demand recovery, IOL has demonstrated consistent performance across both segments, driven by a diversified portfolio and expanding traction in non-Ibuprofen APIs. Our Pharmaceutical segment continues to gain traction led by good demand for our non-Ibuprofen APIs.

Our fully automated paracetamol facility is ramping up well with the stable export volumes and increasing traction across regulated markets. As pricing trends improve, this capacity is expected to contribute meaningfully to margin expansion.

In the Chemicals segment, we are seeing steady volume recovery even as pricing remains subdued. Our focus remains on process discipline, cost optimization and maintaining a balanced product mix across end-use sectors. As we progress, we remain committed to building a robust

diversified portfolio supported by R&D, innovation and accelerated regulatory filings across Europe and other regulated markets.

With this, I now invite CFO, Mr. Pardeep Kumar Khanna, to share the financial highlights for this quarter and H1.

Pardeep Khanna:

Thank you, Abhay. Good afternoon, everyone. Quarter 2 of financial year '26 has been another solid quarter for IOL with consistent financial performance across key metrics. In quarter 2, the revenue from operations stood at INR567.5 crores, reflecting a 7.9% year-on-year growth driven by volume recovery and a stable product mix.

EBITDA increased 33.3% to INR64 crores with margins expanding by 212 basis points to 11.1%, supported by improved operating leverage and cost efficiency. Profit after tax came in at INR30 crores, up by 56.7% year-on-year basis with PAT margin improving to 5.2% from 3.6%.

On sequential basis, there is a slight dip in profitability during the quarter, which is a temporary impact of elevated fuel costs following the Punjab floods, and we expect this effect to normalize in the coming quarters. Post-tax cash profit grew 31.1% year-on-year basis to INR51.5 crores, highlighting our focus on free cash flow generation and operational deceleration.

We continue to deploy strategic capex toward automation, infrastructure upgrades and scale up of our differentiated API pipeline. Our balance sheet remains strong with minimum leverage and healthy liquidity, giving us the flexibility to pursue growth initiatives without compromising financial stability. With that, we now welcome any questions you may have.

Moderator:

Thank you very much. Our first question is from the line of Riya Jain from SGA Finance. Please go ahead.

Riya Jain:

So I had a few questions. The first one was, I just wanted to understand how the revenue mix among non-Ibuprofen APIs shape up in, say, H1 FY '26?

Pardeep Khanna:

The revenue from the Ibuprofen is 62% and from chemical, 41%. And other API within pharma is 38%.

Riya Jain:

Got it, sir. And which molecules are currently the top contributors within this basket?

Pardeep Khanna:

It is Ibuprofen.

Riya Jain:

Got it. And how do you expect this composition to evolve over the next few years?

Pardeep Khanna:

We expect in the coming years. We expect in pharma, we are supposing to reach 50% Ibuprofen and 50% other pharma products.

Riya Jain:

Got it. Got it. And also, how do you see the trajectory of EBITDA and PAT margins evolving over, say, the next 2, 3 quarters, especially considering price pressures in chemicals and ramp-up costs in pharmaceuticals?

- Abhay Raj Singh:** So basically, the -- as we discussed in the last quarter as well, our volume growth is being witnessed quarter-on-quarter basis. And this volume growth is mainly coming from the non-Ibuprofen portfolios because the pricing pressure has been there for last 3, 4 quarters. So we cannot very much comment on how these pricing trends is going in the future.
- But we are optimistic that we will be continuing increasing our volume growth and also maintaining the growth level from where we are. So having said all these things, we expect to achieve EBITDA level of something around 13% to 14%, which we discussed in the last quarter as well. So we are keeping that expectations alive for the next or the remaining H1 -- H2, sorry.
- Riya Jain:** Got it, sir. Got it, sir. And one last question. With the recent EDQM certificate of Suitability for Pantoprazole Sodium Process-III, how do you plan to capitalize on this approval?
- Kushal Kumar Rana:** So there is basically a small change in the process, which we have incorporated. That is why we have gone for the amendment in our CEP certificate. And definitely, we have the customers where we have already started the approval process and the plant has the capability to supply the material with the -- this amended process also.
- Abhay Raj Singh:** But in addition to this, what Rana ji said, this Pantoprazole CEP, we are already having the CEP. This is another process which we got is amendment to the existing process.
- Riya Jain:** Got it. Got it. And are there specific geographies, volume targets or commercial strategies in place to scale this molecule in CEP compliant markets?
- Kushal Kumar Rana:** Definitely, Europe will be the target market, and we have the customers there. We have already sent the samples, our approval processes going on.
- Moderator:** The next question is from the line of Dhiraj from RJ Investments.
- Dhiraj:** So I have a couple of questions. Firstly, can you walk us through the key drivers behind the 33% of EBITDA growth and the PAT growth this quarter? And specifically, how much of this improvement was volume-led versus margin led? And what role do you think that cost optimization of product mix play in this? So could you throw some light on that?
- Rakesh Mahajan:** The growth in the profitability from the year-on-year quarter, it is not a single call, but it is a combination of various reasons, both in increase in the quantity also and stable prices also plus product mix and shifting us some of regulated customers from domestic market to regulated customers also.
- And as we already discussed in the earlier call, our main focus is now to shift from domestic to regulated market with price realization and stable demand is -- remain consistent. So we are continuously focusing on shifting from domestic to regulated so that our EBITDA margin, profitability and other revenue should remain in the growth mode.
- Pardeep Khanna:** Also capacity utilization of other APIs also increased in this quarter.
- Dhiraj:** Understood, sir. Understood. And on a different note, you have mentioned the sequential decline in profitability due to related fuel costs following the Punjab flood. So could you quantify the

impact on the margins and clarify whether this is expected to normalize in third quarter or maybe persist for H2 as well?

Pardeep Khanna: Actually, power and fuel cost during the quarter has been increased. It is increased by impact of heavy rains and floods and amount is -- affected is INR7 crores to INR8 crores during the quarter. Actually, basic raw material, rice husk -- from which we have generated power and steam, it was not usable fully due to increased moisture, due to heavy rains and we use other costlier materials and also got power from electricity board.

So it will -- it has impacted our power and fuel cost by INR7 crores to INR8 crores during the quarter. So in the current quarter, we hope it will decrease and come to the -- near to normal.

Moderator: The next question is from the line of Abu Rafe, an individual investor.

Abu Rafe: So my question is, given that paracetamol has seen a relatively weak demand over the past few quarters, what is the current outlook for paracetamol? And how do you see the coming calendar year in terms of demand and growth?

Rakesh Mahajan: As regard to -- as you've rightly said that the demand of paracetamol is not increasing but as for IOL is concerned, our demand is increasing to some extent as earlier capacity of paracetamol was 3,600 metric ton. But in March '25, we've started -- enhanced capacity of 11,800 and we've already reached around 55% to 60% capacity utilization for -- you can say in the first 6 months, we have already crossed last year capacity. We, as an IOL hope that our product is getting good traction in the market. And although the prices are not up to that mark, but demand is there for IOL products.

Abu Rafe: Okay. So my next question is for acetic anhydride and ethyl acetate, the prices have been trending lower from past few quarters. Are we seeing any signs of recovery in pricing? And do we expect to see growth in our volumes in coming months?

Abhay Raj Singh: So volumes, our ethyl acetate is already running at around 100% or near 100% capacity utilization, so is with the acetic anhydride. So -- and the acetic anhydride is also being captively used around 60%. With growing production of paracetamol, the captive use of acetic anhydride will also grow internally.

So there will be lesser amount for the merchant sale for this product. For the ethyl acetate and these -- I think the prices for remaining half will remain more or less same.

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

Maulik: Sir, a few questions from my end. So we've seen improvement in our EBIT margins for the Chemicals segment. I heard your commentary regarding cost efficiencies, which has improved it. But can you put a little bit more color on what has driven this improvement in margin?

Pardeep Khanna: Actually, regarding EBITDA margin, we expect and declared the target in the previous con calls about 13% to 14% but we are not able to achieve the target in the quarter due to unexpected rise in fuel costs, due to heavy rains and floods. But if we compare half year '26 with the half year

'25, it was an increase from 10.2% to 11.8%. So we hope we will do better in the coming quarters and EBITDA margin will improve by better efficiencies and good marketing.

Maulik: Okay. Sir, sorry to interrupt, but I actually wanted to understand regarding the Chemicals EBIT margin. So we've seen improvement in that on a year-on-year basis. So what has driven this improvement in Chemicals EBIT margin?

Rakesh Mahajan: It may be like our buying negotiation and may be we have some inventory accumulation with the lower prices earlier with us. So in addition to efficiency, there may be some inventory gain also.

Maulik: Okay. Okay. Okay. And this inventory at lower cost, so has the overall prices, I mean, input prices reduced or this is a kind of one-off quarter where in -- we've seen this improvement in the Chemical EBIT margin?

Rakesh Mahajan: The -- we are continuously negotiating or other than this seeing any opportunity for best prices. Our other negotiation are going with -- directly with the manufacturer in China. So we hope it will be better opportunity to us and remain positive for the IOL.

Maulik: Okay. Okay. And also on an overall basis, we've seen that our volumes have picked up in this quarter, and that has driven the growth for I think, Chemicals, the growth is flattish because the pricing was under pressure, but the volumes were able to offset that decline.

And for the pharma piece, I think the non-Ibuprofen portfolio drove that growth. So which our products drove this volume growth? Was it only paracetamol because of the new capacity, which drove this volume growth? Or were there any other products also which contributed to it?

Abhay Raj Singh: So Maulik Ji, rightly you said, the paracetamol is the one product. And apart from the paracetamol, Clopidogrel is also a good product of our portfolio in the non-API. That also did well for this quarter, coupled with the Pantaprazole and few other non-API products. So put together, all these bring the growth within the non-Ibuprofen portfolio.

Maulik: Okay. And sir, can you just tell us on the pricing about how the prices are for paracetamol and ibu as of now?

Abhay Raj Singh: Same as these were the last quarter, more or less same. However, a little bit dip in the paracetamol prices is there, but more or less same.

Maulik: Okay. Okay, sir. And just one clarification. I kind of wasn't able to hear it earlier. You had mentioned some 62% versus 38% ratio. I think that was a revenue split between ibu and non-ibu?

Pardeep Khanna: No, no, no. Actually, 62% is our ratio of Ibuprofen within pharma. And total pharma ratio is 59% and Chemical is 41%. 59% and 41%.

Moderator: The next question is from the line of Vignesh Iyer with Sequent Investments.

- Vignesh Iyer:** So my first question is, I wanted to understand in this quarter, what percentage of our margins got impacted due to higher cost of fuel? I wanted to understand if that hadn't happened this -- would we have done better margins than what we did in quarter 1?
- Pardeep Khanna:** Actually, due to power and fuel cost, the margin is effected by around 1%.
- Vignesh Iyer:** Okay. And we can see normalcy coming in this quarter?
- Pardeep Khanna:** [inaudible 0:22:35].
- Vignesh Iyer:** Sorry. I couldn't get it, sir. Sorry.
- Abhay Raj Singh:** No, it was 1%, amounting to around INR7 crores to INR8 crores.
- Vignesh Iyer:** Okay. INR7 crores to INR8 crores. Got it. Got it. So can you expect normalcy kicking in, in quarter 3 and quarter 4 in terms of that?
- Pardeep Khanna:** So we hope in this current quarter, we will achieve to -- power costs near to normal, and it will be reduced by INR5 crores to INR6 crores.
- Vignesh Iyer:** Okay. Got it. Sir, my second question is, what was the utilization of our new paracetamol facility in quarter 2? And how do we see this number by end of this year?
- Abhay Raj Singh:** For this quarter, we reached to 55% capacity utilization for the paracetamol from the new plant, which was commenced in March this year. And by the end of this year means by March end, we expect to reach about 65% capacity utilization.
- Moderator:** The next question is from the line of Jainam Ghelani from Svan Investments.
- Jainam Ghelani:** So what is our capex guidance for FY '26 and FY '27? And where do we wish to expand?
- Pardeep Khanna:** The capex plan for the current year is INR150 crores to INR200 crores. And we are doing capex from INR150 crores to INR200 crores approximately every year, and it includes growth capex infra, land, new software, automation. And for the next year, also we plan INR150 crores to INR200 crores. So current year, we have already used INR60 crores approximately in the first half year. And for the other next half year, it will be near about to INR100 crores.
- Jainam Ghelani:** Sir, how much out of this INR150 crores to INR200 crores is maintenance capex and what is the growth capex?
- Pardeep Khanna:** Maintenance and infra capex is generally 40% and growth capex is 60%.
- Jainam Ghelani:** Okay. And sir, would it be possible with the current pricing of Ibuprofen, Metformin and Paracetamol?
- Pardeep Khanna:** The prices of Ibu and Paracetamol remains the same as the last quarter and slightly dip in the Metformin prices due to decrease in the raw material prices also.
- Moderator:** The next question is from the line of Richa Shah from SRP Associates.

- Richa Shah:** Sir, my question is like could you provide an update on the regulatory progress of Fenofibrate And Levetiracetam, particularly considering the recent DMF observations from the U.S. FDA. Also what is the status of our upcoming EU GMP audit scheduled for November?
- Kushal Kumar Rana:** So first, your question was with respect to Levetiracetam and Fenofibrate DMF. So already, we got some observations from FDA and the queries are responded well in time. So we are waiting for the means, next step. I think it should be clear because as of now, we have got -- we have -- there is no communication from the authority.
- And your second question was with respect to EU GMP inspection. So our EU GMP inspection concluded last Saturday. It was for 6 days and we don't have any major observation, only recommendations were there.
- Richa Shah:** Okay. Got it. Also with the EDQM approval for Sitagliptin Phosphate Monohydrate, a high-volume antibiotic API, how are you positioning this molecule within your broader commercial strategy?
- Kushal Kumar Rana:** As of now, we are not doing this because of the price war in the market because whatever the price is there in the market, that is not even the cost of production. So right now, we are not pushing that molecule very fast.
- Richa Shah:** Okay. Okay. So like are there any specific what I can say -- also, could you share some -- which therapeutic areas are you currently in strategic focus for IOLs API pipeline? And beyond the pain management and antibiotic, are you actively pursuing opportunities in CNS or other chronic segments where regulatory tractions and export potentials are strong?
- Kushal Kumar Rana:** So as of now, probably we don't have any specific segments to target. Only like the molecules, which we have already selected in our R&D, they are basis on the demand and supply gap within the market. So on the basis of that, we are taking up the molecules.
- Moderator:** The next question is from the line of Maulik from B&K Securities.
- Maulik:** So just wanted to understand, sir, how would be our 2H be like because we've grown around 9% in 1H and our expectation was to grow around 10% to 12% revenue for FY '26. So will we be able to achieve that in 2H?
- Abhay Raj Singh:** You're right, Mr. Maulik, we were having the overall guidance for around 10% to 12%. I think a little bit we could not reach to that level within this H1. But for H2, we are hopeful that we will be achieving 10%, 12% from now, maybe a little bit short as compared to the whole year, but we are -- we will be reaching very close to that.
- Maulik:** Okay. Okay, sir. And one more understanding is, I think in H1, our domestic contribution has been 76%. And for first quarter, it was around 74%. So I guess the domestic contribution has increased. So what -- I mean, what are we strategizing to improve our export contribution, which was, I think, you mentioned in your earlier commentary that will help us in better pricing?

- Abhay Raj Singh:** You are right. This is because of the domestic supply from IOL has been increased during this quarter, and that is also because of the increased capacity utilization and also the increased capacity utilizations of the Paracetamol, whereas in terms of the value, if you talk about our export was more or less same. And a lot of developments are going in. So we are very hopeful and optimistic that for non-Ibuprofen, export sale will definitely be increasing this quarter and the next quarter.
- Moderator:** The next question is from the line of Ritik Shah from Capital Alpha.
- Ritik Shah:** So my first question is regarding -- could you sir, provide an update on the land parcel acquired near the Chandigarh-Bathinda Highway?
- Rajesh Mahajan:** The land is already in the process of regulatory approvals and some of approvals are already got, but 2, 3, approvals are still in the process. So we expect within 2 quarters, we will able to get all the regulatory approvals.
- Abhay Raj Singh:** So, Ritik, when we announced about the acquisition of this land, we were assuming that it will take around 8 quarters. So I think we are as per that schedule.
- Ritik Shah:** Okay, okay. And so my question is what was the strategic rationale behind incorporating IOL Pharmaxis UK Limited? And how is this subsidiary expected to contribute to expanding our global reach, particularly in terms of regulatory engagement, customer proximity and stretching our presence in international markets?
- Abhay Raj Singh:** So the idea of incorporating a wholly-owned subsidiary in the U.K. one of the important aspect is to remain near to the customers and understand the customers' requirement and meeting their requirement earliest possible manner. So this was the basic idea, and this request also come from our various customers into the Europe zone.
- So that was the main idea. And apart from that, we will be looking for having the other business proposals and the business opportunities while we will be working on these things. So we'll keep you updated as the plant gets developed.
- Moderator:** The next question is from the line of Shaikh Mohamed, an individual investor.
- Shaikh Mohamed:** Congratulations for the good year-on-year result. My question is -- a few questions are there. Regarding the patents we have received, we have received patent for the Sitagliptin and Sartan drugs. So how is the progress going on with those patents of Sitagliptin, Sartan drugs?
- Kushal Kumar Rana:** Sir, actually, if you see the Sitagliptin progress as of now in the market, we have the product developed, we have the patent for that, and even we have got CEP for that also. But probably the market competitiveness in Sitagliptin is very high. Even that is why right now, we are not doing that product in commercial production also because whatever customers are asking for, that is a very competitive price.
- Shaikh Mohamed:** Okay. And about Sartan drugs? Olmesartan, Candesartan.

- Kushal Kumar Rana:** Yes, Sartan, we are working and we have the plan. And we are going ahead with those products, but we are unlike in multiproduct facility, as and when we are getting some orders, we are having the plans to do those products.
- Shaikh Mohamed:** Okay. Sir, any impact of U.S. tariff because last quarter, we have discussed that we'll see when it will get -- we will -- U.S. will apply pharma tariff. So is there any impact on us?
- Abhay Raj Singh:** So I think situation is the same for the IOL regarding the U.S. tariff as it was during the last quarter, we are not impacted as of now because whatever the tariff has been there, and that is on the branded and other products, it is not on the generic product. And IOL products are all generic products.
- Shaikh Mohamed:** Yes, right. Sir, apart from other expenses, employee benefit expenses have also increased. If you see the cost of expenses of employees has been improved by -- excess by INR5 crores and other expenses also increased by INR10 crores. If we just remove those costs and consider the same, we could have achieved more after -- profit after tax, right? So okay, you have explained regarding other expenses, what about the employees, do have -- we have hired more employees than previous quarters?
- Abhay Raj Singh:** No, employees are not more. It's the same, but because of some year-end variable payments, incentives related payments that comes upfront in 1 quarter, that was the reason you've seen it into the financials. It's about INR6 crores impact therein. That will not be in the Q3 and the Q4.
- Shaikh Mohamed:** Okay. Q3 and Q4, those expenses won't be there. Okay. Next question is, sir, previously, I have asked you about the best quarter and bad quarter for the company. And management just told that Q2 is bad and Q4 is the best. So can we see more profitable upcoming quarters?
- Abhay Raj Singh:** Yes, we are also expecting the same. We think so.
- Shaikh Mohamed:** Okay. And which are the 9 more drugs in the pipeline? I just want to know about them.
- Abhay Raj Singh:** Pipeline drugs. We are actually working on various products into the pipeline...
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- Kushal Kumar Rana:** So they are -- all those products, they are there in the R&D scale as of now.
- Shaikh Mohamed:** Okay. Sir, last conference call, we have discussed about 3 patents, right? One is Apixaban, I have go through the LinkedIn profile of IOL Chemicals. There is a mention that we have filed for patent of Apixaban. So I have go through that. I don't know. Last quarter also, I have asked regarding that we have filed for Apixaban. So it is there or just it's a mistake?
- Kushal Kumar Rana:** No, no, it is there. So probably that is again a product which we have done till pilot phase only. And we don't have any as of now, commercial production for that product.
- Shaikh Mohamed:** Okay. Last question. Sir, if we -- for example, if we receive U.S. FDA approval, so how is the impact of that approval in our company? More significant or much or very less?

- Kushal Kumar Rana:** So it will depend how the -- like approval from FDA is one part. The impact will be there as and when we will be supplying our commercial quantities to the customers in U.S. regularly. So that will -- probably that will come with the passage of time, not instantly.
- Shaikh Mohamed:** Okay. And in the presentation, I see that Metformin and Fenofibrate already got the U.S. FDA approval.
- Kushal Kumar Rana:** Yes.
- Shaikh Mohamed:** Okay. So after the inspection, there will be an opening of passage to export those products, Metformin, Fenofibrate? Or you can do it now.
- Abhay Raj Singh:** For export, Metformin, we are already. And the other products, we are already exporting to the U.S. -- sorry, Europe and other countries. But this U.S. FDA approval help us to export into the U.S. as well. So we are already exporting it in the Europe and other countries.
- Shaikh Mohamed:** Both Metformin, Fenofibrate and Ibuprofen, all 3?
- Abhay Raj Singh:** Yes. All 3. In fact, all products of the IOL have CEP approval. That means we are allowed to export in the Europe. We have the Brazilian approval. We have the Korean approval. We have the Russian approval. We have many other approvals also.
- Shaikh Mohamed:** Okay. No, no. I got -- I know that those approvals are. But for U.S., we require U.S. FDA, right? So my question is Metformin, Fenofibrate and Ibuprofen, all 3 we are currently exporting to U.S. or only Ibuprofen because Metformin and Fenofibrate inspection has not been done.
- Abhay Raj Singh:** No, Mr. Shaikh, we have the approval to export. That means we are allowed, we can sell it. But the question is whether we are exporting it right now or not, this is another question. So Ibu we are exporting, but very less amount to the U.S.
- Moderator:** The next question is from the line of Ayesha Mandhane from Samsej Investment.
- Ayesha Mandhane:** Actually wanted to ask, what revenue we are targeting in coming 2 to 3 years? I just want to understand, given the current demand and pricing trends in the market, how is IOL expecting the revenue contribution to be from both of our segments? Also, how will our EBITDA margin improve going forward? Will it cross 15%? Is there a possibility as we scale our exports?
- Pardeep Khanna:** Actually, in regard to the revenue, we are expecting 10% to 15% growth in every year. And hopefully, we will achieve this in the current year also. And regarding -- your next question is regarding EBITDA margin. We're hoping, EBITDA margin 13% to 14%. It will definitely, 1% to 2% increase every year we are expecting.
- And regarding demand, the demand of our products is stable and growing. And in regard to the Paracetamol, our capacity enhancement -- we are expecting capacity enhancement in the next year to 65% from the current 55%, 56%. Revenue, we will targeting 10% to 15% increase in every year.

- Ayesha Mandhane:** Okay, sir. Got it. Also, sir, is there any important highlight if you want the investors to know that there was in this quarter? Any update if you want to provide from your end? Like how should we see IOL in coming few years?
- Pardeep Khanna:** I already -- there is no particular news as of now. But we are hopefully targeting 10% to 15% increase, I already stated that we are -- hopefully in the next current year for the '27, we are targeting INR2,600 to INR2,700 revenue and EBITDA margin is 13% to 15%.
- Moderator:** As there are no further questions, I would now like to hand the conference over to management for closing comments.
- Rakesh Mahajan:** Yes. Thank you once again for joining us. The performance of the company reflects steady progress along with our strategic road map. We continue to move toward a more diversified and export-driven portfolio, supported by investments in differentiated APIs, expanded manufacturing capacities and strong regulatory engagement across key markets. With a healthy product pipeline, good cash flow and disciplined execution, we remain well positioned to deliver sustainable growth and long-term value for all stakeholders.
- Our focus continues to be on driving scale, improving margins through scaling, automization and backward integration, further it's -- further strengthen our presence in the regulated geographies. For any further queries, please feel free to contact our IR team. We appreciate your continued trust and support, and we look forward to engage with you in the quarters ahead. Thank you, and have a good day.
- Moderator:** On behalf of IOL Chemicals Pharmaceuticals, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.